MASTERCARD INC. (NYSE) - MA

Company Description:

MasterCard, Inc., is a global leader in electronic payments. It serves as a processor, franchisor, and advisor to about 25,000 financial institutions, in support of their credit, debit, and related payment programs. It licenses its card brands, including MasterCard, MasterCard Electronic, Maestro, and Cirrus, to clients worldwide. Revenue is derived from both transaction volume and dollar volume. Has about 11,300 employees. MasterCard Foundation owns 10.4%; (4/16 Proxy). Chairman: Richard Haythornthwaite. President and CEO: Ajaypal S. Banga. Purchase, New York www.mastercard.com

Basic Description:

MA's net profits have grown rapidly since its IPO in 2006, but are slowing. EPS has even grown more rapidly, driven by strong share repurchasing - especially recently which has limited value as P/Es have been high. Dividends have increased to the current 15% payout ratio. The strong buyback numbers and dividend payout has meant that, despite high ROEs, growth rates are much slowed. In addition, MA has a few charge-offs in its short history. Revenues have also grown rapidly, but appear to be slowing as size effect may be challenging. Demonstrating the operating leverage of the network, margins have consistently expanded as revenues have grown. Some competitive factors may be slowing this effect as rebates and incentives have become important to new business. Finally, the declining levels of depreciation rates confirm the low capital intensivity which sets up extraordinary margins.

Profitability Description:

On a gross dollar volume of $4.8 trillion, MA collects approximately 20 basis points as revenue - $10 billion. MA has two focal points for growth: one is to focus on growth through the global conversion from cash to cards - eg. 50% in North America; 90% cash in ROW and two is to gain market share through differentiation and taking more of the value chain. These attempts involve some acquisitions as well as investment within natural areas of strength. The business model should, even with acquisitions and an expanded range of services, generate operating margins in excess of 50% with high excess profitability. The challenges to profitability are the limits to reinvest at its high rates of return as well the ineffectiveness of large share repurchases at high P/Es. It also appears that consumer credit growth is slowing due to competition, but prepaid is an area of growth for MA.

Core Advantage Description:

MA is one of four network processors (Visa, American Express and Discover) who function as a critical link in the chain between the purchaser's issuing card company (typically a bank and processor like TSYS) which receives an interchange fee (typically 1.6%) for providing the funds from a purchasers credit/checking account and the seller's acquiring company (typically an acquirer like First Data) which receives a fee (typically .4%) for setting up the equipment and acting on behalf of the merchant. The network processor has an undisclosed fee. In the case of American Express and Discover, this network fee is built into the closed-loop total fee. However, MA and Visa charge a fee to both sides and are careful to not disclose it, probably for competitve reasons. I would estimate that this fee is 10% of each side (meaning 16 bps from issuer and 4 bps from acquirer). This global positioning which is embedded within so many banks and so many merchants creates a network which is difficult to scale up to as the pennies really add up with such scale. In addition, MA has positioning to understand the laws in each country, the buying patterns and the development of new technologies. The payments system is in disruption, but it is primarily on the merchants' side - due to their unhappiness with the general upward trend of interchange fees and their inability to control an increasingly important source of flows. The risks of technology disruption are significant, but not yet visible. National providers like China UnionPay and Japan's JGB have huge domestic advantages in their markets.

Investment Thesis:

MA has several sources of growth. The primary driver is the increasing use of credit as it replaces cash. In North America, the use of cash and checking is roughly 50%, while in the rest of the world it is 90%. MA is a global company and the primary growth is occuring outside of North America because within North America the "cash" users are largely non-banked. MA not only benefits from this large secular tailwind, but also benefits from the trend towards an increase in plastic money volume due to increased number of transactions and increased size of transactions. These rates are slower, but nevertheless, are aided by inflation and economic growth. Assuming that MA continues to maintain market share, we estimate that replacement of cash with credit (and debit) will generate 10% per year growth in revenues from "rest of world" with an additional 2% from economic growth (would be lower in lower income - largely not included), 2% in inflation and 1% per year in increased penetration in developed markets. We assume that no price war with Visa will occur, protecting margins with a terminal P/E of 20 due to high margins.

Purchase Description:

ACM considers MA a buy at 86 (20X 2017 earnings and ave of e.g and capl charge) and a sell at 164 (e.g., and ave of capl charge fair value and full value) as a Tier I "compounder" purchase.

FY End	Stock Price	Mkt. Value (in mlns)
December	$112.00	$121,072.00

	1995	1996	1997	1999	2000	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Earnings (mln)									266.7	457.1	1,085.9	1,172.6	1,462.6	1,847.0	2,399.0	2,758.0	3,116.0	3,617.0	3,808.0	4,059.0	4,505.0
EPS									$0.20	$0.04	$0.83	($1.05)	$1.13	$1.41	$1.48	$2.21	$2.60	$3.14	$3.41	$3.75	$4.29
Operating EPS									$0.20	$0.34	$0.83	$0.91	$1.13	$1.41	$1.87	$2.21	$2.60	$3.14	$3.41	$3.75	$4.29
Ave. P/E Ratios									n/a	20.1	18.0	23.7	16.8	16.3	15.9	19.7	24.1	25.0	27.6	26.0	
Yrly Price Low									n/a	4.0	9.5	11.3	11.7	19.1	21.9	33.6	50.1	68.7	74.6	78.0	106.0
Yrly Price High									n/a	10.9	22.7	32.0	25.9	27.0	38.5	49.9	83.9	89.9	101.6	108.9	113.0
Dividends Paid										13.5	65.6	77.5	77.9	78.5	76.8	150.0	347.7	506.9	714.2	821.6	924.0
Dividends PS									n/a	$0.01	$0.05	$0.06	$0.06	$0.06	$0.06	$0.12	$0.29	$0.44	$0.64	$0.76	$0.88
Ave. Div. Yld.										0.13%	0.31%	0.28%	0.32%	0.26%	0.20%	0.29%	0.43%	0.55%	0.73%	0.81%	0.80%
Shares Outstdg.									1,350.0	1,349.7	1,312.7	1,292.4	1,297.7	1,309.0	1,280.0	1,250.0	1,199.0	1,152.0	1,116.0	1,081.0	1,050.0
Buyback $ (mln)										2.2	595.7	439.5	(99.6)	(260.5)	875.8	1,252.5	3,417.0	3,727.1	3,171.6	3,270.8	3,394.5
Shr. Equity (mln)									1,169	2,364	3,027	1,927	3,504	5,205	5,868	6,917	7,484	6,790	6,028	5,656	4,135
Book Value PS									$0.87	$1.75	$2.31	$1.49	$2.70	$3.98	$4.58	$5.53	$6.24	$5.89	$5.40	$5.23	$3.94
LT Debt									230	230	150	71	74	0	0	0	0	1,494	3,287	5,180	5,250
Return On Eq.									22.81%	19.33%	35.87%	60.84%	41.74%	35.49%	40.88%	39.87%	41.64%	53.27%	63.17%	71.76%	108.95%
Return On Cap.									19.07%	17.62%	34.18%	58.67%	40.88%	35.49%	40.88%	39.87%	41.64%	43.66%	40.88%	37.46%	48.00%

Description:

Instructions:

Analysis:

Observations: Three parts: merchant processing (20% of fee), network processing (5% of fee) and banking vertically (75% of fee).

Investment Characteristics

Earnings Analysis:		*Use Of Earnings Analysis:*	
Growth Rate %:	30.70%	*Avg Div Payout Ra*	14.53%
Quality %:	87.84%	*Avg Stk Buyback R*	63.58%

	1995	1996	1997	1998	1999	2000	2001	2002	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Revenues										2,938	3,326	4,068	4,992	5,099	5,539	6,714	7,391	8,346	9,473	9,667	10,776	*11,750*
RPS										$2.18	$2.46	$3.10	$3.86	$3.93	$4.23	$5.25	$5.91	$6.96	$8.22	$8.66	$9.97	*$11.19*

Rev. Analysis:		*Rev Analysis (last 5 yrs.):*	
Growth Rate %:	12.54%	*Growth Rate %:*	9.92%
Growth % PS:	14.84%	*Growth % PS:*	13.70%

	1995	1996	1997	1998	1999	2000	2001	2002	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Oper. Margin										19.70%	23.10%	30.20%	38.40%	47.10%	52.40%	54.80%	56.40%	57.00%	57.30%	59.50%	58.20%	*59.10%*
Tax Rate										38.50%	34.80%	35.00%	40.10%	34.10%	33.00%	31.80%	29.90%	30.80%	28.80%	23.20%	30.00%	*30.00%*
Depreciation										110	100	98	112	141	148	194	230	258	321	366	373	*400*
Dep. Rate										41.21%	21.83%	8.99%	9.55%	9.67%	8.01%	8.09%	8.34%	8.28%	8.87%	9.61%	9.19%	*8.88%*

Description:

Instructions:

Analysis:

Observations:

Description & Analysis of Profitability (in mlns):

		2012		2013		2014		2015		2016	
	Gross Revenues: 9.9%	**7,391**		**8,346**		**9,473**		**9,667**		**10,776**	
7%	*Domestic assessments*	*3,387*	45.8%	*3,688*	44.2%	*3,967*	41.9%	*4,086*	42.3%	*4,411*	40.9%
12%	*Cross-border volume fees*	*2,268*	30.7%	*2,715*	32.5%	*3,054*	32.2%	*3,225*	33.4%	*3,568*	33.1%
13%	*Transaction processing fees*	*3,199*	43.3%	*3,554*	42.6%	*4,035*	42.6%	*4,345*	44.9%	*5,143*	47.7%
20%	*Other revenues*	*1,154*	15.6%	*1,331*	15.9%	*1,688*	17.8%	*1,991*	20.6%	*2,431*	22.6%
16%	*Rebates and incentives*	*-2,617*		*-2,942*		*-3,271*		*-3,980*		*-4,777*	
	Internal Costs: 9.0%	**3,204**		**3,490**		**4,046**		**4,083**		**4,525**	
11%	*General, administrative and othe*	*2,429*	32.9%	*2,649*	31.7%	*3,184*	33.6%	*3,262*	33.7%	*3,714*	34.5%
1%	*Advertising and marketing*	*775*	10.5%	*841*	10.1%	*862*	9.1%	*821*	8.5%	*811*	7.5%
	EBITDA:	**4,187**		**4,856**		**5,427**		**5,584**		**6,251**	58.0%
13%	*Depreciation and other amortizat*	*230*		*258*		*321*		*366*		*373*	
	"Free" Cash Flow	**3,969**		**4,557**		**5,093**		**5,242**		**5,869**	
15%	*Capital Expenditures*	*218*		*299*		*334*		*342*		*382*	
	Operating Margin: 10.4%	**3,957**	53.5%	**4,598**	55.1%	**5,106**	53.9%	**5,218**	54.0%	**5,878**	54.5%
	External Costs: 10.0%	**1,198**		**1,482**		**1,489**		**1,442**		**1,756**	
	Taxes:	*1,174*		*1,384*		*1,462*		*1,406*		*1,587*	
	Interest income	*-37*		*-38*		*-28*		*-25*		*-43*	
	Interest expense	*41*		*41*		*55*		*61*		*95*	
	Provision for litigation settlement	*20*		*95*		*0*		*0*		*117*	
	Earnings: 10.6%	**2,759**		**3,116**		**3,617**		**3,776**		**4,122**	
	Dividend Paid/% of FCF:	**150**	3.8%	**348**	7.6%	**507**	10.0%	**714**	13.6%	**822**	14.0%
	Common Stock/% of FCF:	**1,253**	31.6%	**3,417**	75.0%	**3,727**	73.2%	**3,172**	60.5%	**3,271**	55.7%
						3,304		*3,449*		*3,426*	
	Businesse Bought/Sold	**70**		**0**		**525**		**584**		**584**	

Balance Sheet (in mlns):

	2013		2014		2015	2016
Assets:	**14,242**		**15,329**		**16,269**	**18,675**
Cash and Cash Equivalents	3,599	25.3%	5,137	33.5%	5,747	6,721
Restricted cash for litigation sett	723	5.1%	540	3.5%	541	543
Investments	2,696		1,168		991	1,614
Accounts receivable	966		1,109		1,079	1,416
Settlement due from customers	1,351		1,052		1,068	1,093
Restricted security deposits	911		950		895	991
Prepaid expenses	471		741		664	850
Deferred income taxes	303		396		317	307
Property, plant and equipment, r	526		615		675	733
Goodwill and other intangible	1,794	12.6%	2,236	14.6%	2,694	2,478
Other	902	6.3%	1,385	9.0%	1,598	1,929
Liabilities:	**6,747**		**8,505**		**10,207**	**12,991**
Accounts Payable	338		419		472	609
Settlement due to customers	1,433		1,142		866	946
Restricted security deposits	911		950		895	991
Accrued litigation	886		771		709	722
Accrued expenses	2,101		2,439		2,763	3,318
Other current liabilities	363		501		564	620
Long-term Debt	0	0.0%	1,494	17.6%	3,287	5,180
Deferred income taxes	117		115		79	81
Other Liabilities	598		674		572	524
Shareholder's Equity:	**7,484**		**6,790**		**6,028**	**5,656**
Common Stock	0	0.0%	0	0.0%	0	0
Capital Surplus	3,762	50.3%	3,876	57.1%	4,004	4,183
Treasury Stock	-6577	-87.9%	-9995	-147.2%	-13522	-17021
Retained Earnings	10,121	135.2%	13,169	193.9%	16,222	19,418
Comprehensive Income	178		-260		-676	-924

Description:

Instructions/Questions:

Analysis:

Observations:

The decline in short term debt and increase in long term lending seems to adhere to Buffett's motto: "neither a short term borrower nor a long term lender be."

Description & Analysis of Debt Levels (in mlns):

Summary: Debt is a four-letter word. Debt causes the years of repayment of capital to equity shareholders to stretch out into the more distant future. Even worse, debt can cause the best business model to become the property of bondholders in a rough economic environment.

Total Debt-Capital: The measure of total debt to total capital is useful when book value is a good measure of a firm's worth. This is particularly true of traditional businesses where property, plant and equipment are important. Further, it helps to have this ratio in capital intensive businesses with cyclical earnings.

Total Debt:	5,785	Here, deferred income taxes have been excluded.
Total Capital:	11,813	Here, deferred income taxes have been excluded.
Ratio:	48.97%	

Long Term Debt-Cap.: The measure of long term debt to total capital is useful when total debt is distorted by the high presence of current assets being financed by current liabilities. Again, the measure works best within a traditional industry setting. The ratio helps position the equity shareholders.

L. T. Debt:	5,180	Here, the current liabilities have been excluded.
L. T. Capital:	10,836	Here, the current liabilities have been excluded.
Ratio:	47.80%	

Net Income Payback: The measure of how quickly total debt is repaid by net income is a conservative measure, as it includes debt such as current liabilities, that are financed by current assets and excludes some sources of cash, such as noncash amortization numbers.

Total Debt:	5,785
Net Income:	4,122
Years Paybacl	1.4

L.T. Debt:	5,180
Net Income:	4,122
Years Paybacl	1.3

Addback Net Inc. Paybac The measure of how quickly debt is repaid by addback net income is a good measure, as it starts with GAAP net income and adds back expenses on an after-tax basis that are clearly discretionary, such as business acquisitions to better analyze the strength of the repayment stream.

L.T. Debt:	-1,541	adds back cash
Net Income:	4,122	
Addback:	0	Merger charges, writedowns above the line, dep. Amort below the line less capex
Years Paybacl	-0.4	

Interpretations:

Description & Analysis of Pension Issues(in mlns):

Summary: Corporate defined benefit or "pension" plans are a major obligation of companies. Because of the actuarial changes involved, obligations can move significantly. As a result, corporations have steadily moved toward defined contribution plans as they froze or terminated pension plans. These obligations are measured in two ways: accumulated and projected. As the name implies, projected is what is likely and a greater number than accumulated. This obligation is typicac in three categories: US, non-US and post-retirement. There are assets which are set up to fund these plans. The difference is the funded status. This number provides an indication of the additional potential obligation of the company and is included in the balance sheet - typicac in "other assets" and "other liabilities." That may not be the accurate value of the obligation in the event that assumptions are unreasonable. Because pensions are funded over time, it is less likely to have an immediate funding need that cripples the company or its earnings. Rather than focus on these assumptions, we estimate the size of plan's underfunding relative to the market value of the company. The greatest financial risk involves companies which are small relative to these funding requirements. For our purposes, we set this limit at 25% for the total underfunded as a percentage of market capitalization.

Year	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Pension Plan	*Yes*	*Yes*	*No*							
Frozen:	*No*	*Yes*	*Yes*							
Taft-Hartley	*No*	*No*	*No*							
Underfunded	*Yes*	*Yes*	*Yes*							
Amount:	102	59	0							
Market Cap:	121,072	121,072	121,072							
Ratio:	0.08%	0.05%	0.00%							

Description & Analysis of Stock Options (in mlns):

Summary: Stock options are a difficult form of compensation to assess. Heavy use of stock options creates stock issuance and a demand for stock repurchasing in some industries. This can be dilutive to shareholders if no repurchasing occurs or can absorb cash flows in the event that repurchasing occurs to offset issuance.
Uses "share-based incentive" language

FASB ASC 718	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
After tax Exp	-15.00	22.00	50.00							
Net profits:	3,617.00	3,808.00	4,059.00							
%	-0.41%	0.58%	1.23%							
Cash net of t	3,304.00	3,449.00	3,426.00							
Net share rep	3,727.10	3,171.60	3,270.75							
Difference	-423.10	277.40	155.25							
% of Net pro	-11.70%	7.28%	3.82%							

Industry Overview

The credit card industry has enjoyed a powerful secular transition from cash and checks to "plastic." Increasingly, payment systems will be mobile and digital. Concerns continue to grow around issues of fraud and safety. At the same time, merchants are pushing back on their costs to offer these payment systems with margins narrowing due to debit cards as well as co-branded cards. The result should be a continued rapid growth but a decline in margins.

Industry Comparisons

Operating Statistics:

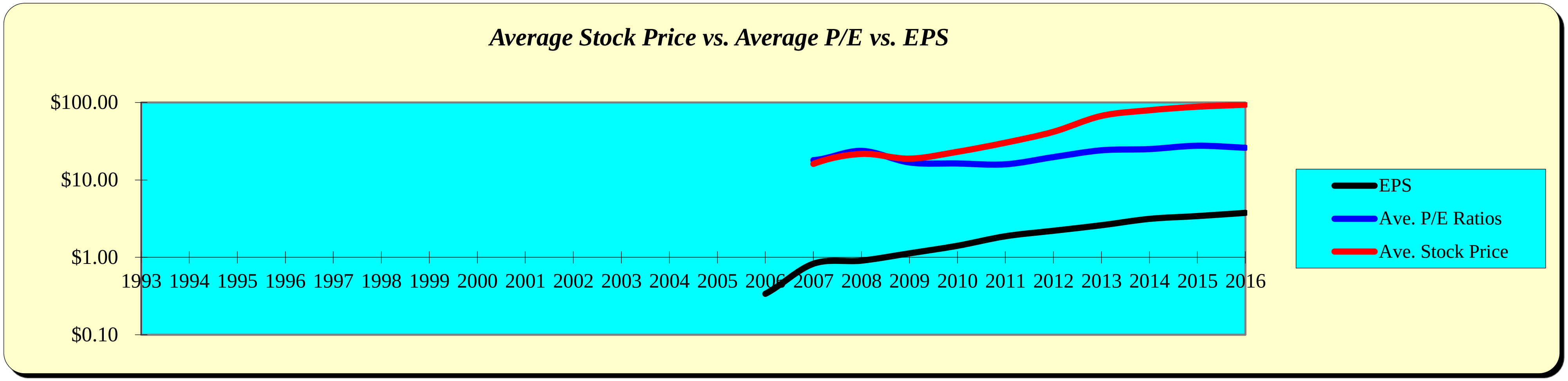
Company	*Yrs.Pybk.*	*Sales*	*ROE*	*Oper.Margin*
MA	-0.4	10,776	71.76%	58.20%
V	1.2	15,000	22.50%	65.00%
PYPL	-3.2	9,250	9.00%	23.00%
FLT	4.7	1,725	16.50%	57.00%
VNTV	25.6	2,577	13.90%	31.00%

Market Statistics:

Company	*P/B*	*P/E*	*Div. Yld.*	*EV/Sales*
MA	21.41	29.8	0.81%	11.24
V	5.92	25.7	0.70%	12.73
PYPL	3.27	36.2	0.00%	5.03
FLT	4.55	22.56	0.00%	9.12
VNTV	9.74	57.3	0.00%	3.48

Investment Opinion

	Positives:	Negatives:
Product/Service:		
Pricing Power:	Steady with oligopoly	
Durability:	Cards are needed continuously.	
Brand Appeal:	Mastercard is recognized globally	
Unique Importance:	Mastercard and Visa are the backbone of network switching	
Role Of Media:		Advertising is important but not a driver
Toll Bridge:	The are limited entrants to this business. The barriers to entry are high.	Global is 2 bln cards and 25 mln businesses
Global Opportunity	The rate of global growth exceeds domestic and represents the major opportunity.	
Competition	Limited	Technology changes could develop new ones
Economic Risk:		Recessions decrease spending
Government Role		Governments could drive some "anti-monopoly" issues
Role Of Technology:		Likely to be lurking somewhere
Supply/Demand:	Cards are the future as cash is less utilized.	
Financial:		
Business Model:	Narrowly focused.	
High Capital Reinv.:	Generates high free cash flow and repurchases stock with it.	Stock price still high for favorable repurchase impact.
Effective As Public:	Yes	
Ownership:		
Growth:		Slowing
Concentration:	Global	
Management:		
Characteristics:	Highly experienced.	
Proxy Information:		Highly compensated and stacked for mgmt.



	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
EPS	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.20	$0.34	$0.83	$0.91	$1.13	$1.41	$1.87	$2.21	$2.60	$3.14	$3.41	$3.75
Ave. P/E Ratios	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	n/a	20.10	18.00	23.70	16.80	16.30	15.90	19.70	24.10	25.00	27.60	26.00
Ave. Stock Pric	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	n/a	7.45	16.10	21.65	18.80	23.05	30.20	41.75	67.00	79.30	88.10	93.45

Price/Earnings R $3.75
eleven year a 15.5
eleven year a 27.3
If we set the purchase at the ave. el
the price impl **$58.16**
If we set the sell at the ave. eleven y
the price impl **######**

Price/Sales Ratio: used - $9.97
eleven year average low 5.18
eleven year average higl 8.58
If we set the purchase at the ave. eleven year low P/S,
the price implied is: **$51.61**
If we set the sell at the ave. eleven year high P/S,
the price implied is: **$85.57**

Price/Book Ratic $5.23
eleven year a 7.5
eleven year a 12.7
If we set the purchase at the ave. el
the price impl **$39.18**
If we set the sell at the ave. eleven y
the price impl **$66.42**

Price/Cash Flow Ratio: usec n/m
eleven year average low n/m
eleven year average higl n/m
If we set the purchase at the ave. eleven year low P/CF,
the price implied is: **n/m**
If we set the sell at the ave. eleven year high P/CF,
the price implied is: **n/m**

Initial Rate of Investment	
Current Price	$112.00
Current EPS	$4.29
Initial ROI	**3.83%**

Relative Value to Investment In T-Bonds	
Current EPS	$4.29
T-Bond Rate	4.00%
Relative Value	**$107.26**

Capital "charge" approach

6,251	ebitda
0.12	required return
0.09	growth rate (not on EPS basis)
0.9	% not required
0.039	denominator
160,282	ev
-1,541	debt
161,823	equity value
1081	shares
149.70	share value
89.82	buy at 60%
179.64	sell at 120%

Valuation as an Equity Bond:	
Current BV	$3.94
Current ROE	108.95%
Retained %	16.89%
Net BV Growth	18.40%
BV in Year 10	$21.32
EPS in Year 10	$23.23
Valueat20.P/E	$464.66
Total Dividends	$28.23
Total F.Value	$492.88
Purchaseat14%	**$132.95**

Valuation on Earnings Growth:	
Current EPS	$4.29
EPS in Year 10	$13.33
Ave. P/E Ratio	21.20
Valueat20.P/E	$294.74
Price Return	9.06%
Dividend Return	0.80%
Total Return	9.86%
Purchaseat14%	**$79.50**
Sellat6%	**$164.58**

History of Buys/Sells

by	MA	6/24/2015	6/29/2015	183.00	17,536.70	$ 95.83	2
by	MA	8/24/2015	8/27/2015	101.00	8,884.24	$ 87.96	3

Discussion of Buys/Sells

What: The return of the first purchase of MA (bought 6/25/2015 to present) was 1% and SP -3% for an outperformance of 4% (nearly 6 months).
The return of the second purchase of MA (bought 8/24/2015 to present) was 7% and SP 2% for an outperformance of 5% (nearly 4 months).

So what: We have paid an extremely high P/E due to the "compounder" and Tier I combination

Now what: If our assumptions are correct, MA should be a primary investment and remain so for a long time.

Takeaway: We need to focus on finding "compounders", but most won't be Tier I. This is rare.

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030
Sales (mln)	$0.00	$0.00	$0.00	$0.00	$0.00	$2,937.60	$3,326.10	$3,656.21	$4,019.07	$4,417.95	$4,856.42	$5,338.41	$5,868.23	$6,450.63	$7,090.83	$7,794.58	$8,568.16
SPS	$0.00	$0.00	$0.00	$0.00	$0.00	$3.22	$3.82	$4.39	$5.06	$5.83	$6.71	$7.73	$8.90	$10.25	$11.80	$13.59	$15.65
Earnings (mln)	$3,617.00	$4,070.65	$4,581.19	$5,155.77	$5,802.41	$6,530.15	$7,349.17	$8,270.91	$9,308.26	$10,475.71	$11,789.58	$13,268.24	$14,932.36	$16,805.19	$18,912.91	$21,284.99	$23,954.57
EPS	$3.14	$3.70	$4.36	$5.15	$6.07	$7.15	$8.43	$9.94	$11.72	$13.82	$16.29	$19.20	$22.64	$26.69	$31.47	$37.10	$43.74
Operating EPS	$3.14	$3.70	$4.36	$5.15	$6.07	$7.15	$8.43	$9.94	$11.72	$13.82	$16.29	$19.20	$22.64	$26.69	$31.47	$37.10	$43.74
Shares Outstdg.	1152.00	1099.68	1049.74	1002.07	956.56	913.12	871.65	832.07	794.28	758.21	723.78	690.91	659.53	629.58	600.99	573.70	547.64
Buyback $ (mln)	$2,299.65	$2,588.08	$2,912.68	$3,277.99	$3,689.12	$4,151.81	$4,672.53	$5,258.57	$5,918.10	$6,660.36	$7,495.70	$8,435.82	$9,493.85	$10,684.58	$12,024.65	$13,532.79	$15,230.09
#ShresBuyback	52,316,466	49,940,587	47,672,606	45,507,621	43,440,956	41,468,146	39,584,928	37,787,234	36,071,180	34,433,058	32,869,329	31,376,614	29,951,689	28,591,475	27,293,033	26,053,558	24,870,373
Ave. P/E Ratio	14.00																