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By Lilla Zuill

NEW YORK, Dec 21 (Reuters) - Analysts predict that next year's U.S. initial public offerings will include a steady stream of activity including credit card issuer Visa Inc's \$10 billion.

Visa, the biggest deal so far on 2008's dance card, is coming to market after MasterCard's ([MA,Trade](#)) stellar \$2.4 billion 2006 IPO.

The company said late on Friday they plan to list their shares on the New York Stock Exchange under the symbol "V." ([V,Trade](#)), according to an amended registration statement with the U.S. Securities and Exchange Commission. It has not disclosed how many shares it plans to offer, or expected share price.

Hopes are high that the world's largest credit card processor will the lead of its smaller rival MasterCard Inc, which has seen its share gain more than 440 percent since its initial IPO price of \$39. The shares closed at \$212.35 on Friday.

Scott Sweet, managing director of research firm IPOboutique.com said he expected the Visa offering to come early in the year. "It will certainly do well, as MasterCard has done incredibly," he said.

A Visa spokesman could not be reached for comment on the timing, but the company earlier said it was obligated to make "reasonable efforts" to complete the offering within 120 days of a restructuring that closed on Oct. 3.

At that rate, Visa would launch its offering by February. The IPO must be launched by early May if Visa wants to avoid having certain obligations of its financial services members suspended, according to the filing.

Under the restructuring, Visa Inc combines Visa U.S., international and Canadian operations. Another affiliate, Visa Europe, will remain a membership organization and take a minority stake in Visa Inc.

CREDIT CRUNCH

While credit markets have tightened since MasterCard's debut about 18 months ago -- raising concerns that credit card defaults could rise and consumer spending shrink -- analysts say the credit card industry is still posting strong growth.

"The credit card market is growing 12 to 14 percent," said Francis Gaskins, president of research firm IPOdesktop.com, who predicts Visa will grab headlines but fall short MasterCard's performance.

"It won't have the same growth; it will be steady but not blockbuster," Gaskins said.

Visa processed 44 billion transactions last year worth more than \$3 trillion. During fiscal 2007, operating revenue rose 33 percent to \$5.2 billion, while it had an operating loss of \$1.1 billion, including a nearly \$3 billion litigation reserve for outstanding litigation.

The company on Friday said it has set aside \$1.9 billion related to American Express litigation and a \$650 million reserve related to Discover litigation.

FULL PIPELINE, NO BLACKSTONES

More than 200 U.S. IPOs generated in excess of \$50 billion, ranking 2007 as the most active since 2000, according to data tracker Dealogic.

Based on companies that have filed for public listings on the NYSE Euronext's New York Stock Exchange ([NYSE,Trade](#)) or on Nasdaq ((NDAQ.O)), 2008 also looks to be a busy.

At the end of November, there were 280 IPOs in the pipeline, Dealogic said.

Jackie Brya, IPO leader for the Americas at Ernst & Young sees strong activity in 2008. By sector, Brya foresees deals from many of the same sectors that dominated the 2007 IPO landscape: technology, healthcare and energy.

There was record attendance at Ernst & Young's recent annual IPO conference, including strong interest from energy and utility companies, Brya said.

"Clean energy," companies that provide more efficient, environmentally friendly, energy alternatives are another area likely to see IPOs over the next year or two, she said.

Where 2008 will differ from 2007, analysts said, will be an absence of hedge fund and private equity flotations as investors saw the disappointing post-performance of Fortress Investment Group ((FIG.N)), Blackstone Group ((BX.N)) and Och-Ziff Capital Management ((OZM.N)).

Fortress is down nearly 53 percent since its February high of \$35.49; Blackstone, which launched in June, is down 37 percent since its high of \$38; and Och-Ziff, which launched in November at \$32.80, was down 15 percent to \$27.81 on Friday.

"The trio of big name alternative asset managers enjoyed much pre-pricing PR and demand was strong. However, fears about credit quality of the underlying portfolios quickly torpedoed returns," Renaissance Capital's IPOhome wrote in a 2007 research report.

That does not mean principals of closely held private equity and hedge fund firms are not keeping their options open. Private equity giant Kohlberg Kravis Roberts & Co [KKR.UL], for example, earlier filed for a \$1.25 billion IPO and a listing on the NYSE.

But analysts are skeptical the deal will happen.

"Fortress, Blackstone and Och-Ziff had their days, I don't look for much from that sector," said Gaskins.

WIRED

One-quarter of 2007's new listings were from technology companies, according to Renaissance's IPOhome.

VMWare Inc ((VMW.N)), a provider of virtualization software, has gained more than 200 percent since its August debut. And this week, NetSuite Inc, a software maker majority owned by Oracle ([ORCL,Trade](#)) Chief Executive Larry Ellison jumped 37 percent in its first day of trading, and was up another 9 percent on Friday.

"I do see a lot of tech, led by security storage and networking," IPOboutique's Sweet said.

Companies that offer Web-based services on a subscriber basis, such as NetSuite and the year's best first-day performer Athenahealth ((ATHN.O)), which provides Web-based services to physicians' offices and rose 97 percent in its debut, will continue to be well received, Gaskins said.

But he added that investors have turned more cautious as a result of the mounting credit crisis. He sees little appetite, for example, for debt-heavy, private-equity sponsored IPOs.

"The window for private equity to pay down debt is pretty much closed," he said. (Reporting by Lilla Zuill, editing by Leslie Gevirtz)

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