



# Stock Selection Guide®

The most widely used aid to good investment judgment

Company FISERV INC Date 06/10/04

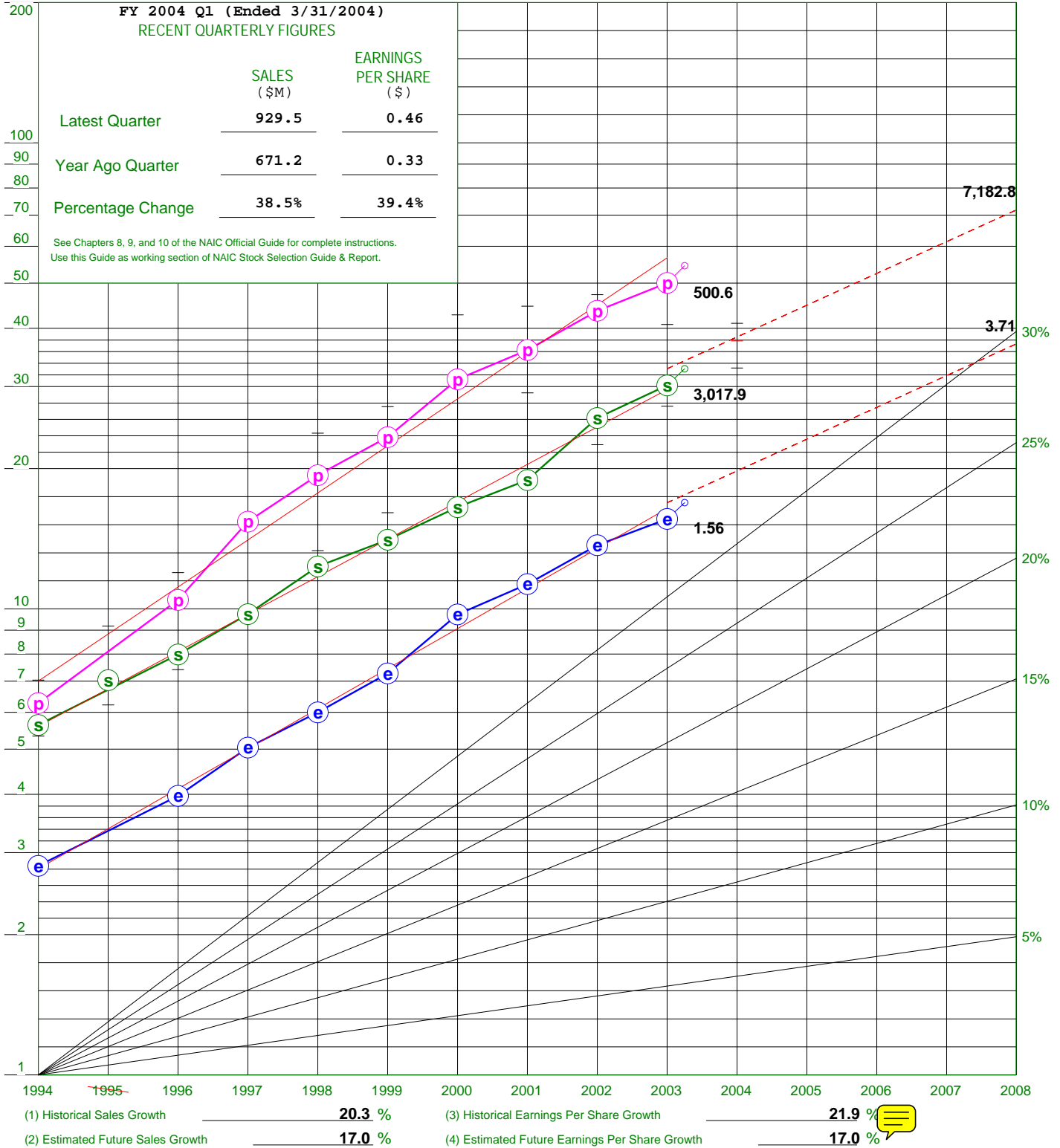
Prepared by jah Data taken from NAIC Data

Where traded NASDAQ Major product/service Data Proces

CAPITALIZATION --- Outstanding Amounts		Reference	
Preferred (\$M)	0.0	% Insiders	% Institution
Common (M Shares)	194.9	0.0	0.0
Debt (\$M)	767.5	% to Tot.Cap.	25.8
		% Potential Dil.	None

## 1 VISUAL ANALYSIS of Sales, Earnings and Price

FISV



## 2 EVALUATING MANAGEMENT

Company **FISERV INC (FISV)**

06/10/04

	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	LAST 5 YEAR AVG.	TREND	
												UP	DOWN
<b>A</b> % Pre-tax Profit on Sales (Net Before Taxes ÷ Sales)	11.1	-14.0	13.1	15.8	15.7	16.6	18.8	19.0	17.0	16.6	17.6		DOWN
<b>B</b> % Earned on Equity (E/S ÷ Book Value)	10.6	-14.1	12.0	11.9	12.5	12.3	14.4	13.4	14.4	13.8	13.6	EVEN	

## 3 PRICE-EARNINGS HISTORY as an indicator of the future

This shows how stock prices have fluctuated with earnings and dividends. It is a building block for translating earnings into future stock prices.

Year	PRESENT PRICE		37.580	HIGH THIS YEAR		41.000	LOW THIS YEAR		32.870
	A	B	C	D		E	F	G	H
	PRICE	PRICE	Earnings Per Share	Price Earnings Ratio		Dividend Per Share	% Payout	% High Yield	
	HIGH	LOW		HIGH	LOW		F ÷ C X 100	F ÷ B X 100	
	A ÷ C	B ÷ C							
1 1999	27.2	16.1	0.73	37.4	22.1	0.000	0.0	0.0	
2 2000	42.8	16.2	0.97	43.9	16.7	0.000	0.0	0.0	
3 2001	44.6	29.1	1.13	39.5	25.7	0.000	0.0	0.0	
4 2002	47.2	22.5	1.37	34.5	16.4	0.000	0.0	0.0	
5 2003	40.8	27.2	1.56	26.1	17.5	0.000	0.0	0.0	
6 TOTAL		111.1		26.1	34.2		0.0		
7 AVERAGE		22.2		26.1	17.1		0.0		
8 AVERAGE PRICE EARNINGS RATIO			21.6	9 CURRENT PRICE EARNINGS RATIO				22.2	

## 4 EVALUATING RISK AND REWARD over the next 5 years

Assuming one recession and one business boom every 5 years, calculations are made of how high and how low the stock might sell. The upside-downside ratio is the key to evaluating risk and reward.

### A HIGH PRICE -- NEXT 5 YEARS

Avg. High P/E 26.1 X Estimate High Earnings/Share 3.71 = Forecast High Price \$ 96.8  
(3D7 as adj.) (4A1)

### B LOW PRICE -- NEXT 5 YEARS

(a) Avg. Low P/E 17.1 X Estimated Low Earnings/Share 1.56 = \$ 28.9  
(3E7 as adj.)  
 (b) Avg. Low Price of Last 5 Years = 22.2  
(3B7)  
 (c) Recent Severe Market Low Price = 22.5  
 (d) Price Dividend Will Support Present Divd. = 0.000 = 0.0  
 Selected Estimate Low Price High Yield (H) 0.000 = \$ 22.5  
(4B1)

### C ZONING

96.8 High Forecast Price Minus 22.5 Low Forecast Price Equals 74.3 Range. 1/3 of Range = 18.6  
(4A1) (4B1) (C) (4CD)  
 (4C2) Lower 1/3 = 22.5 to 41.1 (Buy) Note: Ranges changed to 25%/50%/25%  
 (4C3) Middle 1/3 = 41.1 to 78.2 (Maybe)  
 (4C4) Upper 1/3 = 78.2 to 96.8 (4A1) (Sell)

Present Market Price of 37.580 is in the Buy Range (4C5)

### D UP-SIDE DOWN-SIDE RATIO (Potential Gain vs. Risk of Loss)

High Price 96.8 Minus Present Price 37.580  
 Present Price 37.580 Minus Low Price 22.5 = 59.2 = 3.9 To 1  
(4A1) (4B1) (4D)

### E PRICE TARGET (Note: This shows the potential market price appreciation over the next five years in simple interest terms.)

High Price 96.8  
 Present Market Price 37.580 = ( 2.576 ) X 100 = ( 257.6 ) - 100 = 157.6 % Appreciation  
(4A1) (4E)

Relative Value: 102.8% Proj. Relative Value: 88.0%

## 5 5-YEAR POTENTIAL

This combines price appreciation with dividend yield to get an estimate of total return. It provides a standard for comparing income and growth stocks.

Note: Results are expressed as a simple rate; use the table below to convert to a compound rate.

**A Present Full Year's Dividend \$** 0.000  
 Present Price of Stock \$ 37.580 = 0.000 X 100 = 0.0 Present Yield or % Returned on Purchase Price  
(5A)

### B AVERAGE YIELD OVER NEXT 5 YEARS

Avg. Earnings Per Share Next 5 Years 2.71 X Avg. % Payout 0.0 = 0.0 = 0.0 %  
(3G7) (5B)

### C ESTIMATED AVERAGE ANNUAL RETURN OVER NEXT FIVE YEARS

	5 Year Appreciation Potential <u>157.6</u>	Average Yield <u>0.0</u>	Annual Appreciation <u>16.4%</u>	% Compd Ann Rate of Ret <u>16.4%</u>	P.A.R. <u>0.0%</u>	Tot. Ret. <u>0.0%</u>
Average Yield <u>0.0</u>						
Average Total Annual Return Over the Next 5 Years <u>31.5</u>						

# PERT Worksheet-A Graph

Company FISERV INC (FISV)

