

Priceline.com Inc (PCLN)

Price:	\$660.08
Market Cap:	\$32,865,383,200
Cash:	\$3,618,700,000
Debt:	\$1,441,570,000
Net Cash:	\$2,177,130,000
Enterprise Value:	\$30,688,253,200

Price/Book:	12.68
EV/FCF:	70.22
Net Tang. Asset/Share:	\$40.68
Avg. Year 1-5 FCF/Share:	\$17.32
5 Years of FCF:	\$86.60
Net Tang. Asset+5 FCF:	\$127.27

Net Tang. Asset Yr. 5/Share:	\$190.88
Avg. Year FCF/Share:	\$17.32
Year 5 Disposition FCF Multipl:	3.0
Year 5 Disposition Price:	\$242.84
Gain Year 5:	\$202.16

Net Tang. Asset+5 FCF+ Gain Disposition:	\$329.44
IRR:	-12.98%

Valuation

The stock is rich. With sales projected to grow 20% annually, it is difficult to project FCF, but we are assuming +\$400 MM annually, or about +\$2 BB in 5 years. We add this \$86.60/share of FCF to the \$40.68 net tangible asset value to get to \$127.27.

The money invested in cap ex/intangibles will build the net tangible asset/share in Year 5 from \$17.32 to \$190.88/share. We will sell with 3 years of FCF/share, to err on the conservative stance in our valuation, to create the \$242.84/share sales price.

We add the \$202.16 gain realized at disposition in 5 years to the \$127.27 net tangible asset and 5 years of FCF, to create a \$329.44 price in 5 year or a -12.98% IRR.

Business Overview

Book flights, hotel reservation, car rentals all through the website. At \$32.9 BB market cap for a \$5 BB revenue, \$3 BB book equity company, we can see the price is not justified. Even with the assumed 20% annual growth, this stock is rich. We would **short the stock**.

The company has great growth, strong balance sheet, and strong FCF.

However, on a dollar for dollar basis, this stock is too pricey.

Error

Company Name: Priceline.com Inc
Ticker Symbol: PCLN
Last Price: \$660.08
 Net Cash/Share: \$43.73
 Net Cash to Last Price: 6.62%
 Shares Outstanding: 49,790,000
 Industry: Leisure
 Sector: Consumer Cyclical

Institutional Ownership: #VALUE!
 Mutual Fund Ownership: #VALUE!
 Insider Ownership: #VALUE!
 Retail Ownership: #VALUE!
 Float: #VALUE!

Technicals
 52 week low: Error
 Today from 52 week low: #VALUE!
 52 week high: Error
 Today from 52 week high: #VALUE!
 50 day Moving Average: Error
 200 day Moving Average: Error

Analyst/Consensus
 Analyst Sales Growth FY1: 26.00%
 Analyst Sales Growth FY2: 22.70%
 SN Valuation Estimate FY1: 20.00%
 SN Valuation Estimate FY2: 20.00%

Analyst Earnings Estimate FY1: \$31.65
 Analyst Earnings Estimate FY2: \$39.59
 SN Valuation Earnings Est. FY1: \$20.61
 SN Valuation Earnings Est. FY2: \$25.29

Multiples
 Market Value to Book: 12.68
 EV to Book: 11.84
 Market Value to Tangible Net Assets: -39.85
 P/E Ratio: 29.08
 Trailing P/E Ratio: 30.44
 Forward P/E Ratio: 17.00
 Beta: Error
 Dividend: 0
 Dividend Yield: 0.00%
 Dividend Date: N/A
 Ex-Dividend Date: N/A

Competitors
 Average EV to EBITDA: N/A
 Company EV to EBITDA: 20.37
 Average EV to EBIT: N/A
 Company EV to EBITA: 21.94

Market Capitalization: \$32,865,383,200.00
 Total Debt: \$1,441,570,000.00
 Total Cash: \$3,618,700,000.00
 Net Cash/(Debt): \$2,177,130,000.00
 Enterprise Value: \$30,688,253,200.00
 Current EV/Share: \$616.35
 EBITDA: \$1,506,590,000.00
 EV/EBITDA Multiple: 20.37
 EV/EBITDA Multiple Average Year 1-5: 12.25
 EV/FCF Multiple: 70.22
 EV/FCF Multiple Average Year 1-5: 35.59

Upper Range
DCF: EV/EBITDA Terminal Value

Implied TV from 3 X EV/EBITDA Multiple \$10,404,649,304.06
 Enterprise Value \$10,404,649,304.06
 Cash at Year 5: \$6,492,276,076.85
 Debt at Year 5: \$506,760,000.00
 Equity Value Year 5: \$16,390,165,380.91
Equity/Share at Year 5: \$329.19
 Annualized Return: -12.99%

Lower Range
DCF: Net Tangible Asset excluding Cash/Debt Terminal Value

Year 5 Net Tangible Assets excluding cash and debt -\$249,630,000.00
 Enterprise Value -\$249,630,000.00
 Cash at Year 5: \$6,492,276,076.85
 Debt at Year 5: \$506,760,000.00
 Equity Value Year 5: \$5,735,886,076.85
Equity/Share at Year 5: \$115.20
 Annualized Return: -29.47%

EVA

EVA today: \$3,277,681,570.39
 EVA in 5 Years: \$8,730,214,756.61
 EVA/Share: \$175.34
 Cash at Year 5: \$6,492,276,076.85
 Debt at Year 5: \$506,760,000.00
 Equity Value Year 5: \$14,715,730,833.46
Equity/Share at Year 5: \$295.56
Annualized return 21.64%

Current Net Tangible Asset
Net Tangible Asset/Share: \$36.44
Net Tangible Asset/Share in Year 5: \$114.25
 Annualized return 25.68%

Current Equity Price: \$660.08
 Selling at Discount? Premium
 Appreciation Potential: -94.48%

Dividend Model

Next Year Dividend \$0.00
WACC: 10.88%
 Dividend: \$0.00
 Net Income: \$1,130,000,000.00

Income Statement
 Revenue: \$4,580,000,000.00 100.0%
 Cost of Goods Sold: \$1,500,000,000.00 32.8%
 Gross Profit: \$3,080,000,000.00 67.2%
 EBITDA: \$1,550,000,000.00 33.8%
 Net Income: \$1,130,000,000.00 24.7%

Balance Sheet
 Cash: \$632,830,000.00
 Short Term Investment: \$2,426,630,000.00
 A/R: \$324,560,000.00
 PP&E: \$28,000,000.00
 Assets: \$5,047,310,000.00
 A/P: \$173,980,000.00
 Deferred Tax: \$45,720,000.00
 Other Liabilities: \$839,910,000.00
 Short term Debt: \$503,190,000.00
 Long Term Debt: \$938,380,000.00
 Liabilities: \$2,501,180,000.00
 Retained Earnings: \$1,163,490,000.00
 Paid-In Capital: \$2,537,090,000.00
 Treasury Stock: -\$1,057,810,000.00
 Stockholder's Equity: \$2,591,700,000.00

Cash Flow
 Net Income: 1,059,130,000.00
 Depreciation/Amortization: 53,830,000.00
 Change in Working capital: 84,780,000.00
 Cash from Operating Activities: 1,341,810,000.00
 Capital Expenditures: -46,830,000.00
 Cash from Investing Activities: -904,770,000.00
 Total Cash Dividends Paid: 0.00
 Issuance (Retirement) of Stock: -158,870,000.00
 Issuance (Retirement) of Debt: 0.00
 Cash from Financing Activities: -151,030,000.00

Profitability Margins
 Debt to Equity: 55.62%
 Return on Assets: 20.93%
 Return on Capital: 26.19%
 Return on Equity: 40.76%

SN VALUATION

LBO Analysis

WACC Terminal Value:	N/A	Intrinsic Price in 5 Years:	302.11	Non-LBO Forecast	Non-LBO Forecast	Desired Return Rate	20.00%
EV/EBITDA with 3X Multiple Terminal Value:	\$329.19	Market Price:	660.08	Year 1 Target	564.56	Implied Today's Price	121.41
Net Tangible Asset Terminal Value:	\$115.20	LBO Price:	660.08	Year 2 Target	482.86	Overvalued/(Undervalued)	443.67%
EV/EBITDA with Today's Multiple Terminal Value:	\$468.50	Premium to Market Price:	0.00%	Year 3 Target	412.99		
EVA Enterprise Value:	\$295.56	LBO Price/Intrinsic Price Target:	-14.47%	Year 4 Target	353.23		
Dividend Discount Model:	N/A	LBO Price/EV/EBIT Exit Price:	-6.95%	Year 5 Target	302.11		
Average (Excluding Dividend Discount):	\$302.11	Implied IRR at today's EV/EBITDA:	-6.63%	Implied IRR (Market Price):	-14.47%		
		5 Year Return:	-54.23%				

Current Evaluation				Exit Evaluation			
Current Market Price:	660.08	LBO Price:	660.08	Exit Price:	302.11	Exit Price:	468.50
Outstanding Shares:	49,790,000	Outstanding Shares:	49,790,000	Outstanding Shares:	49,790,000	Outstanding Shares:	49,790,000
Market Capitalization:	32,865,383,200	Market Capitalization:	32,865,383,200	Market Capitalization:	15,042,095,135	Market Capitalization:	23,326,598,250
Available Cash:	3,618,700,000	Available Cash:	3,618,700,000	Available Cash:	6,492,276,077	Available Cash:	6,492,276,077
Debt:	1,441,570,000	Debt:	1,441,570,000	Debt:	506,760,000	Debt:	506,760,000
Net Cash:	2,177,130,000	Net Cash:	2,177,130,000	Net Cash:	5,985,516,077	Net Cash:	5,985,516,077
Enterprise Value:	30,688,253,200	Enterprise Value:	30,688,253,200	Enterprise Value:	9,056,579,059	Enterprise Value:	17,341,082,173
Original EV/EBITDA:	21.94	EV/EBITDA:	21.94	EV/EBITDA at 5 Years:	2.63	EV/EBITDA at 5 Years:	5.00
Original EV/EBITDA:	20.37	EV/EBITDA:	21.62	EV/EBITDA at 5 Years:	3.92	EV/EBITDA at 5 Years:	4.96
Competitor Average EV/EBIT:	N/A						
Competitor Average EV/EBITDA:	N/A						

Enterprise Valuation Calculation During Holding Period							
Time Period	0	Adjusted for LBO	1	2	3	4	5
Annualized Price Targets based off LBO Price:	660.08	660.08	564.56	482.86	412.99	353.23	302.11
Shares Outstanding:	49,790,000	49,790,000	49,790,000	49,790,000	49,790,000	49,790,000	49,790,000
Market Capitalization:	32,865,383,200	32,865,383,200	28,109,468,019	24,041,776,343	20,562,716,069	17,587,106,964	15,042,095,135
Available Cash:	3,618,700,000	3,618,700,000	3,677,858,078	3,880,221,018	3,997,657,631	4,922,221,534	6,492,276,077
Debt:	1,441,570,000	1,441,570,000	1,744,760,000	1,444,760,000	744,760,000	506,760,000	506,760,000
Net Cash:	2,177,130,000	2,177,130,000	1,933,098,078	2,435,461,018	3,252,897,631	4,415,461,534	5,985,516,077
Enterprise Value:	30,688,253,200	30,688,253,200	26,176,369,942	21,606,315,325	17,309,818,438	13,171,645,430	9,056,579,059
EBIT	1,398,920,000	1,398,920,000	1,651,558,080	1,986,069,696	2,387,483,635	2,869,180,362	3,447,216,435
EV/EBIT:	21.94	21.94	15.85	10.88	7.25	4.59	2.63
EBITDA	1,419,570,000	1,419,570,000	1,676,338,080	2,015,805,696	2,423,166,835	2,912,000,202	3,498,600,243
EV/EBITDA:	21.62	21.62	15.62	10.72	7.14	4.52	2.59

Enterprise Valuation Calculation During Holding Period							
Time Period	0	Adjusted for LBO	1	2	3	4	5
Annualized Price Targets based off LBO Price:	660.08	660.08	766.49	923.96	1117.24	1352.82	1639.03
Shares Outstanding:	49,790,000	49,790,000	49,790,000	49,790,000	49,790,000	49,790,000	49,790,000
Market Capitalization:	32,865,383,200	32,865,383,200	38,163,499,054	46,004,078,025	55,627,373,876	67,356,968,863	81,607,460,708
Available Cash:	3,618,700,000	3,618,700,000	3,677,858,078	3,880,221,018	3,997,657,631	4,922,221,534	6,492,276,077
Debt:	1,441,570,000	1,441,570,000	1,744,760,000	1,444,760,000	744,760,000	506,760,000	506,760,000
Net Cash:	2,177,130,000	2,177,130,000	1,933,098,078	2,435,461,018	3,252,897,631	4,415,461,534	5,985,516,077
Enterprise Value:	30,688,253,200	30,688,253,200	36,230,400,976	43,568,617,007	52,374,476,244	62,941,507,329	75,621,944,631
EBIT	1,398,920,000	1,398,920,000	1,651,558,080	1,986,069,696	2,387,483,635	2,869,180,362	3,447,216,435
EV/EBIT:	21.94	21.94	21.94	21.94	21.94	21.94	21.94
EBITDA	1,419,570,000	1,419,570,000	1,676,338,080	2,015,805,696	2,423,166,835	2,912,000,202	3,498,600,243
EV/EBITDA:	21.62	21.62	21.61	21.61	21.61	21.61	21.61

LBO Price	660.08	Equity Partners:	33,440,383,200	Weighting	100.00%	Annualized Return for Equity Partners:	-6.95%
Shares Outstanding	49,790,000	Debt Partners:	0		0.00%		
Market Capitalization	32,865,383,200	Total Funds for LBO:	33,440,383,200		100.00%		
Debt	575,000,000						
Cash	3,618,700,000						
Enterprise Value	29,821,683,200						
Capital Investment	33,440,383,200						

Book Value	Enterprise Value	Stock Valuation	Debt Reduction				
Beginning Book Value	2,591.70	Beginning Enterprise Value	30,688.25	Current Market Price	\$660.08	Starting Debt	938.38
Year 5 Book Value	10,573.60	Year 5 Enterprise Value	17,341.08	Year 5 Market Price	\$468.50	Debt Repayment	500.00
Annualized Return	32.47%	Annualized Return	-10.79%	Annualized Return	-6.63%	Year 5 Ending Debt	0.38
						% of Starting Debt	0.04%

SN VALUATION

LBO Pro Forma Income Statement

Name:

Priceline.com Inc

Ticker:

PCLN

	Historical				Forecasted				
	12 months ending 2008-12-31	12 months ending 2009-12-31	12 months ending 2010-12-31	12 months ending 2011-12-31	2011	2012	2013	2014	2015
Revenue	1,884.80	2,338.21	3,084.90	4,355.62	5,226.74	6,272.09	7,526.51	9,031.81	10,838.18
COGS	928.84	1,077.45	1,175.93	1,275.73	1,568.02	1,881.63	2,257.95	2,709.54	3,251.45
Gross margin	955.96	1,260.76	1,908.97	3,079.89	3,658.72	4,390.46	5,268.56	6,322.27	7,586.72
SG&A	623.70	750.74	1,076.41	1,627.13	1,986.16	2,385.40	2,860.07	3,432.09	4,118.51
R&D	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Unusual expense	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Other operating expense	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Depreciation is: Included within COGS	42.79	39.19	45.76	53.84	21.00	21.00	21.00	21.00	21.00
Operating Income (EBITA)	289.47	470.83	786.80	1,398.92	1,651.56	1,986.07	2,387.48	2,869.18	3,447.22
Interest income/(expense)	-13.36	-28.53	-40.52	-31.13	-72.75	-48.75	7.25	26.29	26.29
Gain (loss) on sale of asset	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Other	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Income before tax	276.11	442.30	746.28	1,367.79	1,578.81	1,937.32	2,394.73	2,895.47	3,473.51
Tax	90.18	-47.17	218.14	308.66	552.58	678.06	838.16	1,013.41	1,215.73
Income after tax	185.93	489.47	528.14	1,059.13	1,026.23	1,259.26	1,556.58	1,882.06	2,257.78
Minority Interest	-3.38	0.00	-0.60	-2.76	0.00	0.00	0.00	0.00	0.00
Equity in affiliates	-0.31	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Net income	182.25	489.47	527.54	1,056.37	1,026.23	1,259.26	1,556.58	1,882.06	2,257.78
* Figures are in millions (\$)									
EPS (based off today's share count)	\$3.66	\$9.83	\$10.60	\$21.22	\$20.61	\$25.29	\$31.26	\$37.80	\$45.35
P/E (historical today's price; forecasted intrinsic price)	180.33	67.14	62.30	31.11	27.39	19.09	13.21	9.34	6.66
Revenue Growth	N/A	24.06%	31.93%	41.19%	20.00%	20.00%	20.00%	20.00%	20.00%
Tax Rate	32.66%	-10.66%	29.23%	22.57%	35.00%	35.00%	35.00%	35.00%	35.00%
Implied Debt Interest Rate	-3.40%	-14.57%	-8.50%	-5.41%	-7.75%	-5.20%	0.77%	11.03%	6918.68%
Margins									
COGS	49.28%	46.08%	38.12%	29.29%	30.00%	30.00%	30.00%	30.00%	30.00%
Gross margin	50.72%	53.92%	61.88%	70.71%	70.00%	70.00%	70.00%	70.00%	70.00%
SG&A	33.09%	32.11%	34.89%	37.36%	38.00%	38.00%	38.00%	38.00%	38.00%
R&D	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Unusual expense	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Other operating expense	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Depreciation is: Included within COGS	2.27%	1.68%	1.48%	1.24%	0.40%	0.33%	0.28%	0.23%	0.19%
Operating Income (EBITA)	15.36%	20.14%	25.50%	32.12%	31.60%	31.67%	31.72%	31.77%	31.81%
Interest income/(expense)	-0.71%	-1.22%	-1.31%	-0.71%	-1.39%	-0.78%	0.10%	0.29%	0.24%
Gain (loss) on sale of asset	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Other	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Income before tax	14.65%	18.92%	24.19%	31.40%	30.21%	30.89%	31.82%	32.06%	32.05%
Tax	4.78%	-2.02%	7.07%	7.09%	10.57%	10.81%	11.14%	11.22%	11.22%
Income after tax	9.86%	20.93%	17.12%	24.32%	19.63%	24.09%	29.78%	36.01%	43.20%
Minority Interest	-0.18%	0.00%	-0.02%	-0.06%	0.00%	0.00%	0.00%	0.00%	0.00%
Equity in affiliates	-0.02%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Net income	9.67%	20.93%	17.10%	24.25%	19.63%	20.08%	20.68%	20.84%	20.83%

SN VALUATION

LBO Adjusted Proforma Balance Sheet

						Adjustment		Adjusted Proforma	2011	2012	2013	2014	2015
	As of 2008-12-31	As of 2009-12-31	As of 2010-12-31	As of 2011-12-31	As of 2012-03-31	+	-						
Cash	364.55	202.14	358.97	632.83	632.83			1,192.07	1,251.23	1,453.59	1,571.03	2,495.59	4,065.65
Short term investment	98.89	598.01	1,303.25	2,024.83	2,426.63			2,426.63	2,426.63	2,426.63	2,426.63	2,426.63	2,426.63
Cash and Short term	463.44	800.15	1,662.22	2,657.66	3,618.70			3,618.70	3,677.86	3,880.22	3,997.66	4,922.22	6,492.28
Accounts Receivable	92.33	118.66	162.43	264.45	324.56			324.56	324.56	324.56	324.56	324.56	324.56
Other receivables	0.00	0.00	0.00	0.00	0.00			0.00	0.00	0.00	0.00	0.00	0.00
Total Receivables	92.33	118.66	162.43	264.45	324.56			324.56	324.56	324.56	324.56	324.56	324.56
Total Inventory	0.00	0.00	0.00	0.00	0.00			0.00	0.00	0.00	0.00	0.00	0.00
Prepaid Expenses	23.46	36.83	61.21	104.20	201.74			201.74	201.74	201.74	201.74	201.74	201.74
Other Current Assets	14.67	67.30	71.61	40.53	58.06			58.06	58.06	58.06	58.06	58.06	58.06
Current Assets	593.90	1,022.94	1,957.47	3,066.84	4,203.06	0.00	0.00	4,203.06	4,262.22	4,464.58	4,582.02	5,506.58	7,076.64
PP&E, Gross	106.10	108.00	108.00	108.00	108.00			108.00	158.00	208.00	258.00	308.00	358.00
Change in Depreciation		14.49	16.21	20.65	20.65			20.65	24.78	29.74	35.68	42.82	51.38
Accumulated Depreciation	76.70	77.51	80.00	80.00	80.00			80.00	104.78	134.52	170.20	213.02	264.40
PP&E, Net	29.40	30.49	28.00	28.00	28.00			28.00	53.22	73.48	87.80	94.98	93.60
Goodwill	326.86	350.63	510.89	504.78	520.77	0.00		520.77	520.77	520.77	520.77	520.77	520.77
Intangibles	193.23	172.08	232.03	200.15	210.92			210.92	952.77	1,689.40	2,414.22	3,126.54	3,815.64
Long term investments	9.12	0.36	0.39	0.00	0.00			0.00	0.00	0.00	0.00	0.00	0.00
Other long term assets	159.90	257.73	165.43	134.57	84.56			84.56	84.56	84.56	84.56	84.56	84.56
Long Term Assets	718.51	811.29	936.74	867.50	844.25	0.00	0.00	844.25	1,611.32	2,368.21	3,107.35	3,826.85	4,514.57
Total Assets	1,312.41	1,834.23	2,894.21	3,934.34	5,047.31	0.00	0.00	5,047.31	5,873.54	6,832.79	7,689.37	9,333.43	11,591.21
Accounts Payable	46.29	60.57	90.31	146.87	173.98			173.98	173.98	173.98	173.98	173.98	173.98
Accrued Expense	77.71	127.56	243.77	222.13	298.22			298.22	298.22	298.22	298.22	298.22	298.22
Other current Liabilities	29.66	60.76	136.91	239.16	314.84			314.84	314.84	314.84	314.84	314.84	314.84
Total Current Liabilities	153.66	248.89	470.99	608.16	787.04	0.00	0.00	787.04	787.04	787.04	787.04	787.04	787.04
Notes Payables/Short Term Debt	0.00	0.00	0.00	0.00	0.00			0.00	303.19	3.19	3.19	3.19	3.19
Current port. Of LT Debt/Capital Leases	317.91	159.88	0.17	497.64	503.19			503.19	503.19	503.19	503.19	503.19	503.19
Long term Debt	75.08	35.98	476.27	77.36	938.38	0.00	0.00	938.38	938.38	938.38	238.38	0.38	0.38
Capital Lease Obligations	0.00	0.00	0.00	0.00	0.00			0.00	0.00	0.00	0.00	0.00	0.00
Total Interest Earning Debt	392.99	195.86	476.44	575.00	1,441.57	0.00	0.00	1,441.57	1,744.76	1,444.76	744.76	506.76	506.76
Deferred Income tax	48.93	43.79	56.44	46.99	45.72			45.72	45.72	45.72	45.72	45.72	45.72
Minority Interest	0.00	0.00	45.75	127.05	183.32			183.32	183.32	183.32	183.32	183.32	183.32
Other liabilities	18.01	24.05	42.99	39.18	43.53			43.53	43.53	43.53	43.53	43.53	43.53
Total Liabilities	613.59	512.59	1,092.61	1,396.38	2,501.18	0.00	0.00	2,501.18	2,804.37	2,504.37	1,804.37	1,566.37	1,566.37
Redeemable Preferred Stock	0.00	0.00	0.00	0.00	0.00			0.00	0.00	0.00	0.00	0.00	0.00
Non-redeemable Preferred Stock	0.00	0.00	0.00	0.00	0.00			0.00	0.00	0.00	0.00	0.00	0.00
Common Stock	0.37	0.41	0.44	0.45	0.45		0.00	0.45	0.45	0.45	0.45	0.45	0.45
Additional Paid-in capital	2,176.56	2,289.87	2,417.09	2,431.28	2,536.64	0.00	0.00	2,536.64	2,536.64	2,536.64	2,536.64	2,536.64	2,536.64
Dividends Paid	0.00	0.00	0.00	0.00	0.00			0.00	0.00	0.00	0.00	0.00	0.00
Retained Earnings	-944.14	-454.67	69.11	1,033.74	1,163.49		0.00	1,163.49	2,189.72	3,448.97	5,005.55	6,887.61	9,145.39
Treasury Stock	-493.56	-510.97	-640.41	-803.59	-1,057.81			-1,057.81	-1,057.81	-1,057.81	-1,057.81	-1,057.81	-1,057.81
Other Equity	-40.40	-3.00	-33.41	-88.31	-51.07		0.00	-51.07	-51.07	-51.07	-51.07	-51.07	-51.07
Total Equity	698.83	1,321.64	1,812.82	2,573.57	2,591.70	0.00	0.00	2,591.70	3,617.93	4,877.18	6,433.76	8,315.82	10,573.60
Liability + Equity	1,312.42	1,834.23	2,905.43	3,969.95	5,092.88	0.00	0.00	5,092.88	6,422.30	7,381.55	8,238.13	9,882.19	12,139.97
Variance	-0.01	0.00	-11.22	-35.61	-45.57			-45.57	-548.76	-548.76	-548.76	-548.76	-548.76
Debt/Equity	0.56	0.15	0.26	0.22	0.56			0.56	0.48	0.30	0.12	0.06	0.05
Inventory Turnover	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!			#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
Inventory Turnover Days	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!			#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
Days Inventory Outstanding	0.00	0.00	0.00	0.00	0.00			0.00	0.00	0.00	0.00	0.00	0.00
Accounts Receivable Turnover	20.41	19.71	18.99	16.47	16.10			13.42	16.10	19.32	23.19	27.83	33.39
Accounts Receivable Turnover Days	17.88	18.52	19.22	22.16	22.67			27.20	22.67	18.89	15.74	13.12	10.93
Days Payable Outstanding	18.19	20.52	28.03	42.02	40.50			49.78	40.50	33.75	28.12	23.44	19.53
Days Sales Outstanding	17.88	18.52	19.22	22.16	22.67			22.16	27.20	22.67	18.89	15.74	13.12
Cash Conversion Cycle	-0.31	-2.00	-8.81	-19.86	-17.83			-27.62	-13.30	-11.08	-9.24	-7.70	-6.41
Net tangible assets/share					36.44				32.05	42.54	59.25	82.74	114.25

SN VALUATION

LBO Adjusted Proforma Cash Flow

	12 months ending 2008-12-31	12 months ending 2009-12-31	12 months ending 2010-12-31	12 months ending 2011-12-31	2011	2012	2013	2014	2015
Net Income	185.62	489.47	528.14	1,059.13	1,026.23	1,259.26	1,556.58	1,882.06	2,257.78
Depreciation	14.39	14.49	16.21	20.65	24.78	29.74	35.68	42.82	51.38
Net Income + Depreciation	200.01	503.96	544.35	1,079.78	1,051.01	1,288.99	1,592.26	1,924.88	2,309.16
Amortization	28.68	24.70	34.26	33.18	58.15	63.37	75.18	87.69	110.89
Deferred Taxes	19.90	30.99	37.54	44.75	0.00	0.00	0.00	0.00	0.00
Non Cash Items	77.97	-117.66	110.27	99.33	0.00	0.00	0.00	0.00	0.00
Change in Working capital	-11.01	67.67	50.88	84.78	0.00	0.00	0.00	0.00	0.00
Accounts Receivable	0.00	-26.33	-43.77	-102.02	0.00	0.00	0.00	0.00	0.00
Other Receivables	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Inventory	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Prepaid Expenses	0.00	-13.37	-24.38	-42.99	0.00	0.00	0.00	0.00	0.00
Accounts Payable	0.00	14.28	29.74	56.56	0.00	0.00	0.00	0.00	0.00
Cash from Operating Activities	315.55	509.66	777.30	1,341.82	1,109.16	1,352.36	1,667.44	2,012.56	2,420.05
Capital Expenditures Expenditures	-18.32	-15.11	-22.59	-46.83	-50.00	-50.00	-50.00	-50.00	-50.00
Long term investment	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Other Investing Activities	-133.58	-486.35	-818.50	-857.93	-800.00	-800.00	-800.00	-800.00	-800.00
Cash from Investing Activities	-151.90	-501.46	-841.09	-904.76	-850.00	-850.00	-850.00	-850.00	-850.00
Financing Cash flow items	-169.91	-194.97	-258.35	7.84	0.00	0.00	0.00	0.00	0.00
Total Cash Dividends Paid	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Issuance (Retirement) of Stock	1.06	26.01	-103.69	-158.87	0.00	0.00	0.00	0.00	0.00
Issuance (Retirement) of Current Portion Debt	-	-	-	-	-200.00	-300.00	0.00	0.00	0.00
Issuance (Retirement) of Long Term Debt	0.00	0.00	575.00	0.00	0.00	0.00	-700.00	-238.00	0.00
Cash from Financing Activities	-168.85	-168.96	212.96	-151.03	-200.00	-300.00	-700.00	-238.00	0.00
Foreign Exchange effect	-15.61	-1.65	7.67	-12.15	0.00	0.00	0.00	0.00	0.00
Beginning Cash Balance	385.36	364.55	202.14	358.97	1,192.07	1,251.23	1,453.59	1,571.03	2,495.59
Net Change in Cash	-20.81	-162.41	156.83	273.87	59.16	202.36	117.44	924.56	1,570.05
Ending Cash Balance	364.55	202.14	358.97	632.84	1,251.23	1,453.59	1,571.03	2,495.59	4,065.65
Capex to Revenue	0.97%	0.65%	0.73%	1.08%	0.96%	0.80%	0.66%	0.55%	0.46%
Depreciation to Sales	0.76%	0.62%	0.53%	0.47%	0.47%	0.47%	0.47%	0.47%	0.47%
Amortization to Sales	1.52%	1.06%	1.11%	0.76%	1.11%	1.01%	1.00%	0.97%	1.02%
A/R to Sales	4.90%	5.07%	5.27%	6.07%	5.06%	4.22%	3.51%	2.93%	2.44%
Distributable FCF Yield	0.53%	0.03%	-0.21%	1.42%	0.84%	1.64%	2.66%	3.79%	5.12%
Dividend Yield	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
FCF (Ops-Investing-Dividends)	163.65	8.20	-63.79	437.06	259.16	502.36	817.44	1,162.56	1,570.05

SN VALUATION

LBO Debt Schedule

	Proforma	2011	2012	2013	2014	2015
Net Change in Cash	273.87	59.16	202.36	117.44	924.56	1,570.05
Current Portion Debt Repayment		200.00	300.00			
Long Term Debt Repayment				700.00	238.00	
Outstanding Debt	1441.57	1241.57	941.57	241.57	3.57	3.57
Current Portion Debt Balance	503.19	303.19	3.19	3.19	3.19	3.19
Long Term Debt Balance	938.38	938.38	938.38	238.38	0.38	0.38
Forward Libor Curve		4.00%	4.00%	4.00%	4.00%	4.00%
Spread		4.00%	4.00%	4.00%	4.00%	4.00%
Interest Rate		8.00%	8.00%	8.00%	8.00%	8.00%
Interest Expense		99.33	75.33	19.33	0.29	0.29
Cash Balance		2657.66				
Interest @ 1.0%		26.58	26.58	26.58	26.58	26.58
Net Interest Expense/(Income)		72.75	48.75	(7.25)	(26.29)	(26.29)
Net Interest Rate		7.75%	5.20%	-0.77%	-11.03%	-6918.68%
EBITDA		1651.56	1986.07	2387.48	2869.18	3447.22
EBITDA/Interest Expense Coverage		16.63	26.37	123.54	10046.15	12070.09

Interest Rate Coverage Table

Debt Rating					
AAA	AAA	AAA	AAA	AAA	AAA
AA					
A+					
A					
A-					
BBB					
BB+					
BB					
B+					
B					
B-					
CCC					
CC					
C					
D					

*Source: NYU; Professor Damodaran

Altman Z Score

Company Name:

Priceline.com Inc

Ticker:

PCLN

Period	2007	2008	2009	2010	2011	2012	2013	2014	2015
Working Capital	440.24	774.05	1,486.48	3,416.02	3,475.18	3,677.54	3,794.98	4,719.54	6,289.60
Total Assets	1,312.41	1,834.23	2,894.21	5,047.31	5,873.54	6,832.79	7,689.37	9,333.43	11,591.21
X1	0.34	0.42	0.51	0.68	0.59	0.54	0.49	0.51	0.54
Retained Earnings	-944.14	-454.67	69.11	1,163.49	2,189.72	3,448.97	5,005.55	6,887.61	9,145.39
Total Assets	1,312.41	1,834.23	2,894.21	5,047.31	5,873.54	6,832.79	7,689.37	9,333.43	11,591.21
X2	-0.72	-0.25	0.02	0.23	0.37	0.50	0.65	0.74	0.79
EBITDA	332.26	510.02	832.56	1,452.76	1,672.56	2,007.07	2,408.48	2,890.18	3,468.22
Total Assets	1,312.41	1,834.23	2,894.21	5,047.31	5,873.54	6,832.79	7,689.37	9,333.43	11,591.21
X3	0.25	0.28	0.29	0.29	0.28	0.29	0.31	0.31	0.30
Market Value of Equity	32,865.38	32,865.38	32,865.38	32,865.38	28,109.47	24,041.78	20,562.72	17,587.11	15,042.10
Total Liabilities	613.59	512.59	1,092.61	2,501.18	2,804.37	2,504.37	1,804.37	1,566.37	1,566.37
X4	53.56	64.12	30.08	13.14	10.02	9.60	11.40	11.23	9.60
Net Sales	1,884.80	2,338.21	3,084.90	4,355.62	5,226.74	6,272.09	7,526.51	9,031.81	10,838.18
Total Assets	1,312.41	1,834.23	2,894.21	5,047.31	5,873.54	6,832.79	7,689.37	9,333.43	11,591.21
X5	1.44	1.27	1.07	0.86	0.89	0.92	0.98	0.97	0.94
Altman Z Score	33.80	40.82	20.71	10.83	9.08	9.00	10.35	10.37	9.44

$$Z = 1.2 \times X1 + 1.4 \times X2 + 3.3 \times X3 + 0.6 \times X4 + 1.0 \times X5$$

Z-SCORE ABOVE 3.0 –The company is considered 'Safe' based on the financial figures only.

Blue

Z-SCORE BETWEEN 2.7 and 2.99 – 'On Alert'. This zone is an area where one should 'Exercise Caution'.

Green

Z-SCORE BETWEEN 1.8 and 2.7 – Good chance of the company going bankrupt within 2 years.

Yellow

Z-SCORE BELOW 1.80- Probability of Financial Catastrophe is Very High.

Red