

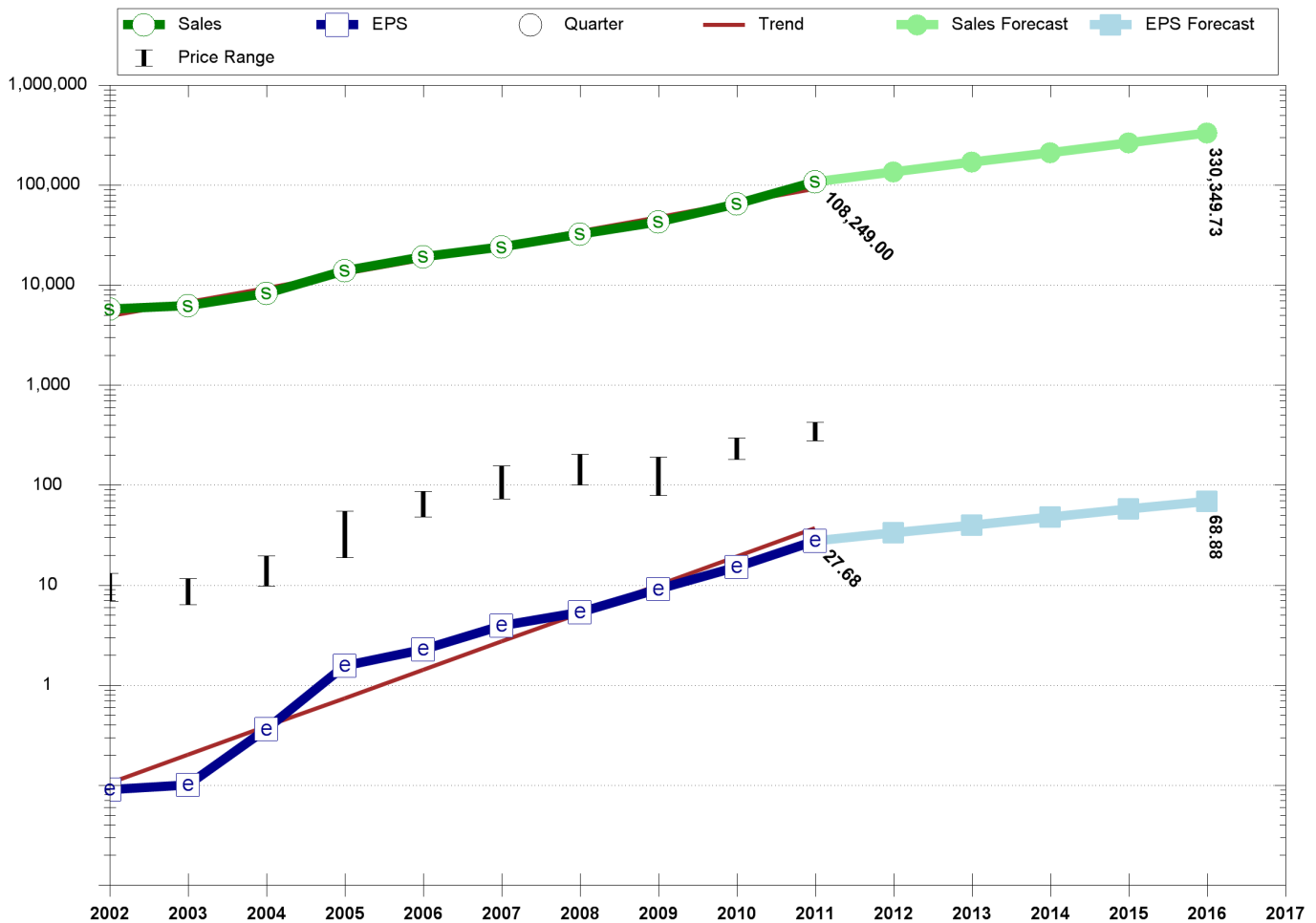
Company	Apple, Inc.		Date	11/18/2011	
Prepared by	Taylor IV		Data taken from	BI Stock Data	
Where traded	NAS	Industry	Computer Systems		
Capitalization --- Outstanding Amounts	Reference				
Preferred (\$M)	0.0	% Insiders	% Institution		
Common (M Shares)	928.3	0.7	72.2		
Debt (\$M)	0.0	% to Tot Cap	0.0	% Pot Dil	1.2

Stock Selection Guide

Symbol: AAPL

1 VISUAL ANALYSIS of Sales, Earnings, and Price

FY2011 Quarter Ending (09/11)	Sales (\$M)	Earnings Per Share
Latest Quarter	28,270.0	7.05
Year Ago Quarter	20,343.0	4.64
Percentage Change	38.97%	51.94%



(1) Historical Sales Growth	38.6%	(3) Historical Earnings Per Share Growth	91.9%
(2) Estimated Future Sales Growth	25.00%	(4) Estimated Future Earnings Per Share Growth	20.00%

2 EVALUATING Management

Apple, Inc.

	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	Last 5 Year Avg.
Pre-tax Profit on Sales (Net Before Taxes/Sales)	2.06%	1.90%	4.90%	13.03%	14.59%	20.86%	21.23%	28.12%	28.42%	31.60%	26.05%
% Earned on Equity (E/S / Book Value)	1.58%	1.63%	5.43%	17.34%	19.34%	23.52%	21.30%	25.82%	29.04%	33.57%	26.65%

3 PRICE-EARNINGS HISTORY as an indicator of the future

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

PRESENT PRICE 374.9

HIGH THIS YEAR 426.70

LOW THIS YEAR 304.69

	A	B	C	D	E	F	G	H
Year	Price		Earnings	Price Earnings Ratio		Dividend	% Payout	% High Yield
	High	Low	Per Share	High A / C	Low B / C	Per Share	F / C * 100	F / B * 100
1 2007	155.00	72.60	3.93	39.44	18.47	0.000	0.00	0.00
2 2008	202.96	100.59	5.36	37.87	18.77	0.000	0.00	0.00
3 2009	188.90	78.20	9.08	20.80	8.61	0.000	0.00	0.00
4 2010	294.73	181.35	15.15	19.45	11.97	0.000	0.00	0.00
5 2011	422.86	277.77	27.68	15.28	10.04	0.000	0.00	0.00
6 TOTAL		710.5		132.8	67.9		0.0	
7 AVERAGE		142.1		26.6	13.6		0.0	
8 AVERAGE PRICE EARNINGS RATIO 20.1					9 CURRENT PRICE EARNINGS RATIO 13.6			

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 25.00 X Estimate High Earnings/Share 68.88 = Forecasted High Price \$ 1,722.00

B LOW PRICE - NEXT 5 YEARS

(a) Avg. Low P/E 13.57 X Estimate Low Earnings/Share 27.68 = Forecasted Low Price \$ 375.62

(b) Avg. Low Price of Last 5 Years 142.10

(c) Recent Market Low Price 181.35

(d) Price Dividend Will Support $\frac{\text{Present Dividend}}{\text{High Yield}} = \frac{0.000}{0.00\%} = 0.00$

Selected Forecasted Low Price 181.35

C ZONING using 25%-50%-25%

Forecasted High Price 1,722.00 Minus Forecasted Low Price 181.35 = 1,540.65 Range. 25% of Range 385.16

Buy Zone 181.35 to 566.51

Hold Zone 566.51 to 1,336.84

Sell Zone 1,336.84 to 1,722.00

Present Market Price of 374.94 is in the **Buy** Zone

D UPSIDE DOWNSIDE RATIO (POTENTIAL GAIN VS. RISK OR LOSS)

$\frac{\text{High Price } 1,722.00 - \text{Minus Present Price } 374.94}{\text{Present Price } 374.94} = \frac{1,347.06}{193.59} = 6.96$ To 1

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

$\frac{\text{High Price } 1,722.00}{\text{Present Market Price } 374.94} = 4.59$ X 100 = 459.27 - 100 = 359.27 % Appreciation

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.

A $\frac{\text{Present Full Year's Dividend } \$ 0.000}{\text{Present Price of Stock } 374.94} = 0.00 = 0.00\%$ Present Yield

B AVERAGE YIELD - USING FORECAST HIGH P/E

$\frac{\text{Avg. \% Payout } 0.00\%}{\text{Forecast High PE } 25.00} = 0.00\%$

C COMPOUND ANNUAL RETURN - USING FORECAST HIGH P/E

Annualized Appreciation 35.65 %

Average Yield 0.00 %

Annualized Rate of Return 35.65 %