

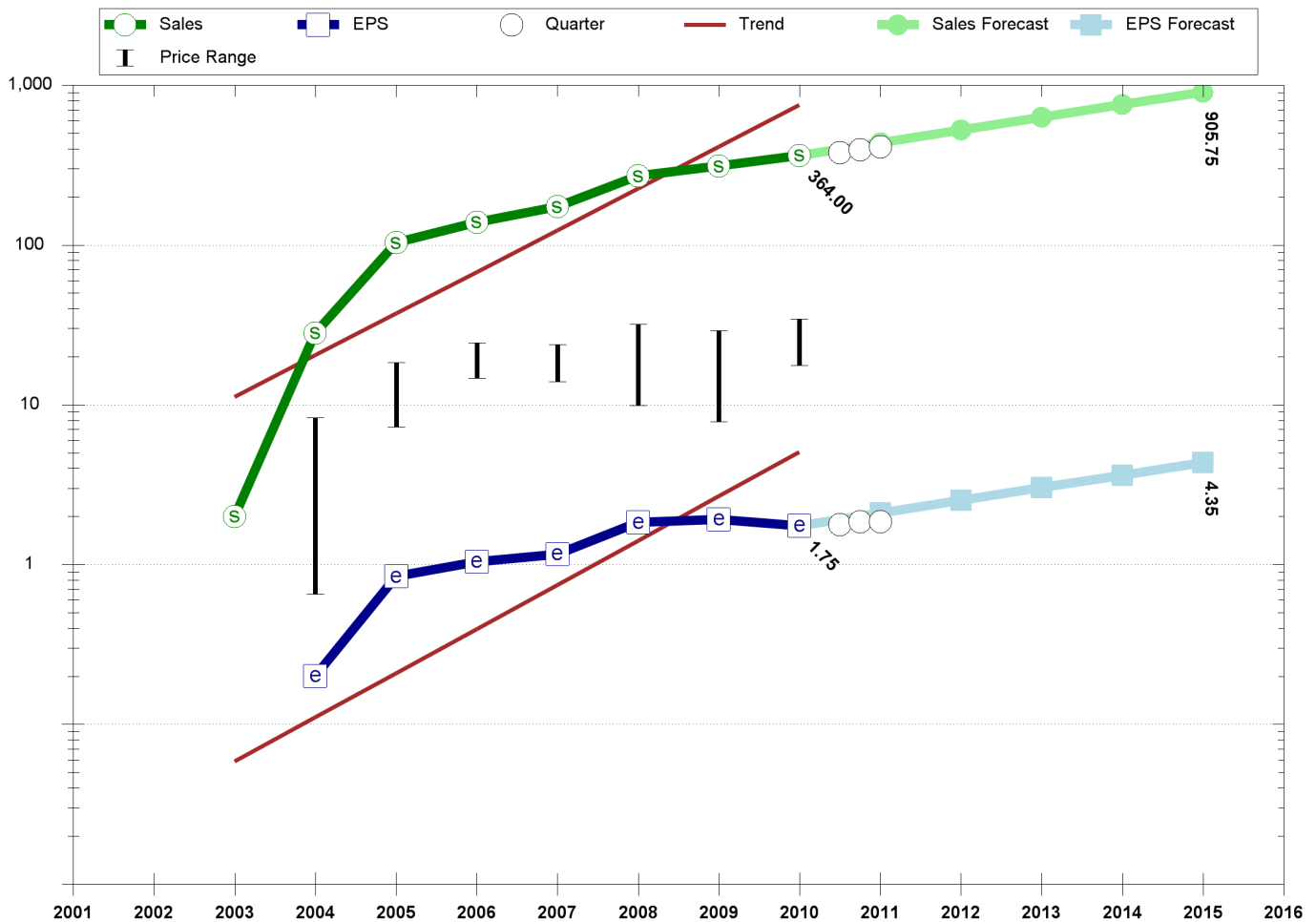
Company	True Religion Appare		Date	11/21/2011	
Prepared by	Taylor IV		Data taken from	BI Stock Data	
Where traded	NAS		Industry	Apparel Manufacturing	
Capitalization --- Outstanding Amounts	Reference				
Preferred (\$M)	0.0	% Insiders	% Institution		
Common (M Shares)	24.9	7.9	0.0		
Debt (\$M)	0.0	% to Tot Cap	0.0	% Pot Dil	0.3

Stock Selection Guide

Symbol: **TRLG**

1 VISUAL ANALYSIS of Sales, Earnings, and Price

FY2010 Quarter Ending (09/11)	Sales (\$M)	Earnings Per Share
Latest Quarter	108.4	0.48
Year Ago Quarter	92.8	0.48
Percentage Change	16.83%	0.00%



(1) Historical Sales Growth	82.4%	(3) Historical Earnings Per Share Growth	67.3%
(2) Estimated Future Sales Growth	20.00%	(4) Estimated Future Earnings Per Share Growth	20.00%

2 EVALUATING Management

True Religion Appare

	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	Last 5 Year Avg.
Pre-tax Profit on Sales (Net Before Taxes/Sales)			-0.46%	24.31%	31.18%	27.87%	28.25%	25.90%	25.01%	19.34%	25.27%
% Earned on Equity (E/S / Book Value)			0.00%	54.70%	52.58%	37.29%	28.70%	31.47%	24.50%	17.80%	27.96%

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 32.7

HIGH THIS YEAR 37.76

LOW THIS YEAR 19.70

	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 2006	24.36	14.65	1.04	23.42	14.09	0.000	0.00	0.00	
2 2007	23.74	13.89	1.16	20.47	11.97	0.000	0.00	0.00	
3 2008	31.82	9.83	1.83	17.39	5.37	0.000	0.00	0.00	
4 2009	28.90	7.80	1.92	15.05	4.06	0.000	0.00	0.00	
5 2010	34.17	17.50	1.75	19.53	10.00	0.000	0.00	0.00	
6 TOTAL		63.7		95.9	45.5		0.0		
7 AVERAGE		12.7		19.2	9.1		0.0		
8 AVERAGE PRICE EARNINGS RATIO 14.1					9 CURRENT PRICE EARNINGS RATIO 17.7				

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 14.00 X Estimate High Earnings/Share 4.35 = Forecasted High Price \$ 60.90

B LOW PRICE - NEXT 5 YEARS

(a) Avg. Low P/E 9.10 X Estimate Low Earnings/Share 1.75 = Forecasted Low Price \$ 15.93

(b) Avg. Low Price of Last 5 Years 12.73

(c) Recent Market Low Price 7.80

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

Selected Forecasted Low Price 7.80

C ZONING using 25%-50%-25%

Forecasted High Price 60.90 Minus Forecasted Low Price 7.80 = 53.10 Range. 25% of Range 13.28

Buy Zone 7.80 to 21.08

Hold Zone 21.08 to 47.63

Sell Zone 47.63 to 60.90

Present Market Price of 32.70 is in the **Hold** Zone

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

$\frac{\text{High Price} - \text{Present Price}}{\text{Present Price}} = \frac{60.90 - 32.70}{32.70} = 1.13$ To 1

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

$\frac{\text{High Price}}{\text{Present Market Price}} = 1.86$ X 100 = 186.24 - 100 = 86.24 % 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 $\frac{\text{Present Full Year's Dividend \$}}{\text{Present Price of Stock}} = \frac{0.000}{32.70} = 0.00 = 0.00\%$ Present Yield

B AVERAGE YIELD - USING FORECAST HIGH P/E

$\frac{\text{Avg. \% Payout}}{\text{Forecast High PE}} = \frac{0.00\%}{14.00} = 0.00\%$

C COMPOUND ANNUAL RETURN - USING FORECAST HIGH P/E

Annualized Appreciation 13.24 %

Average Yield 0.00 %

Annualized Rate of Return 13.24 %