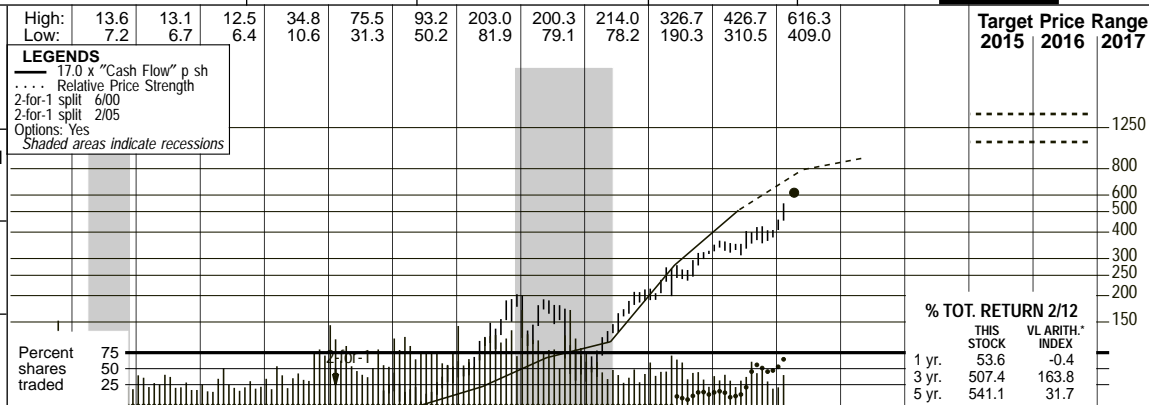


APPLE INC. NDAQ:AAPL

RECENT PRICE **614.48** P/E RATIO **14.0** (Trailing: 17.5; Median: 28.0) RELATIVE P/E RATIO **0.89** DIV'D YLD **1.7%** **VALUE LINE**

TIMELINESS 1 Raised 2/3/12
SAFETY 2 Raised 4/9/10
TECHNICAL 4 Lowered 3/23/12
 BETA 1.05 (1.00 = Market)



2015-17 PROJECTIONS
 Price Gain Ann'l Total Return
 High 1450 (+135%) 25%
 Low 1070 (+75%) 16%

Insider Decisions
 M J J A S O N D J
 to Buy 0 0 0 0 0 0 1 0 0
 Options 1 1 2 1 1 1 2 1 2
 to Sell 2 1 2 1 2 2 3 1 2

Institutional Decisions
 2Q2011 3Q2011 4Q2011
 to Buy 850 836 887
 to Sell 637 729 772
 Hlds(000) 636402 638000 638204

1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	© VALUE LINE PUB. LLC	15-17
19.75	13.84	10.99	9.54	11.89	7.64	8.00	8.46	10.58	16.68	22.58	27.52	36.56	40.61	71.21	116.49	170.20	194.05	Sales per sh ^A	256.40
d1.18	d.51	.73	.79	1.04	.03	.33	.26	.54	1.72	2.59	4.37	5.97	7.12	16.42	29.85	46.50	53.15	"Cash Flow" per sh	74.15
d1.50	d.75	.49	.65	.85	d.14	.17	.10	.36	1.44	2.27	3.93	5.36	6.29	15.15	27.68	43.80	50.00	Earnings per sh ^B	70.00
.03	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	2.65	10.60	Div'ds Decl'd per sh ^F	16.00
.13	.10	.09	.07	.16	.33	.24	.22	.31	.77	.84	1.23	1.27	2.19	4.58	5.65	6.00	Cap'l Spending per sh	7.00	
4.13	2.05	2.76	4.59	6.00	5.59	5.70	5.76	6.48	8.94	11.67	16.66	23.67	30.93	52.18	82.45	138.85	169.45	Book Value per sh ^E	280.00
497.99	511.80	540.77	643.20	671.35	701.84	717.92	733.45	782.89	835.02	855.26	872.33	888.33	899.81	915.97	929.28	940.00	950.00	Common Shs Outst'g ^C	975.00
--	--	13.3	17.3	30.8	--	NMF	NMF	37.9	26.2	29.1	26.3	30.4	19.2	15.2	12.4	Bold figures are Value Line estimates	--	Avg Ann'l P/E Ratio	18.0
--	--	.69	.99	2.00	--	NMF	NMF	2.00	1.40	1.57	1.40	1.83	1.28	.97	.78	--	--	Relative P/E Ratio	1.20
.4%	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	Avg Ann'l Div'd Yield	1.3%

CAPITAL STRUCTURE as of 12/31/11

Total Debt None

Leases, Uncapitalized Annual rentals \$338 mill.

No Defined Benefit Pension Plan

Pfd Stock None

Common Stock 932,370,000 shs. as of 1/13/12

Market Cap: \$573 billion (Large Cap)

CURRENT POSITION (\$MILL.)

	2010	2011	12/31/11
Cash Assets	25620	25952	30156
Receivables	5510	5369	8930
Inventory (FIFO)	1051	776	1236
Other	9497	12891	14449
Current Assets	41678	44988	54771
Accts Payable	12015	14632	18221
Debt Due	--	--	--
Other	8707	13338	16386
Current Liab.	20722	27970	34607

5742.0	6207.0	8279.0	13931	19315	24006	32479	36537	65225	108249	160000	184350	Sales (\$mill) ^A	250000
2.9%	2.2%	5.7%	13.1%	13.9%	19.7%	20.8%	22.9%	29.8%	32.9%	35.0%	35.0%	Operating Margin	36.0%
118.0	113.0	150.0	179.0	225.0	317.0	473.0	703.0	1027.0	1814.0	2500	3000	Depreciation (\$mill) ^D	4000
117.0	76.0	276.0	1254.0	1989.0	3496.0	4834.0	5704.0	14013	25922	41200	47500	Net Profit (\$mill)	68300
25.9%	26.2%	27.9%	30.9%	29.4%	30.2%	29.9%	28.6%	24.4%	24.2%	25.0%	25.0%	Income Tax Rate	25.0%
2.0%	1.2%	3.3%	9.0%	10.3%	14.6%	14.9%	15.6%	21.5%	23.9%	25.8%	25.8%	Net Profit Margin	27.3%
3730.0	3530.0	4375.0	6816.0	8038.0	12657	20598	16983	20956	17018	22000	25000	Working Cap'l (\$mill)	30000
316.0	--	--	--	--	--	--	--	--	--	--	--	Long-Term Debt (\$mill)	Nil
4095.0	4223.0	5076.0	7466.0	9984.0	14532	21030	27832	47791	76615	130500	161000	Shr. Equity (\$mill) ^E	273000
2.8%	1.8%	5.4%	16.8%	19.9%	24.1%	23.0%	20.5%	29.3%	33.8%	31.5%	29.5%	Return on Total Cap'l	25.0%
2.9%	1.8%	5.4%	16.8%	19.9%	24.1%	23.0%	20.5%	29.3%	33.8%	31.5%	29.5%	Return on Shr. Equity	25.0%
2.9%	1.8%	5.4%	16.8%	19.9%	24.1%	23.0%	20.5%	29.3%	33.8%	29.5%	23.0%	Retained to Com Eq	19.5%
--	--	--	--	--	--	--	--	--	--	6%	21%	All Div'ds to Net Prof	23%

ANNUAL RATES

	Past 10 Yrs.	Past 5 Yrs.	Est'd '09-'11 to '15-'17
of change (per sh)	23.0%	35.5%	22.5%
Sales	40.0%	61.5%	27.0%
"Cash Flow"	43.0%	64.5%	27.5%
Earnings	--	--	NMF
Dividends	26.0%	43.5%	31.0%
Book Value	--	--	--

QUARTERLY SALES (\$ mill.)^A

Fiscal Year Ends	Dec.	Mar.	Jun.	Sep.	Full Fiscal Year
2009	10167	8163	8337	9870	36537
2010	15683	13499	15700	20343	65225
2011	26741	24667	28571	28270	108249
2012	46333	35917	37750	40000	160000
2013	51950	39925	43325	49150	184350

EARNINGS PER SHARE^{A,B}

Fiscal Year Ends	Dec.	Mar.	Jun.	Sep.	Full Fiscal Year
2009	1.78	1.33	1.35	1.82	6.29
2010	3.67	3.33	3.51	4.64	15.15
2011	6.43	6.40	7.79	7.05	27.68
2012	13.87	9.73	9.80	10.40	43.80
2013	14.35	10.70	11.65	13.30	50.00

QUARTERLY DIVIDENDS PAID^F

Calendar	Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2008	--	--	--	--	--
2009	--	--	--	--	--
2010	--	--	--	--	--
2011	--	--	--	--	--
2012	--	--	2.65	--	--

Apple shows no signs of losing its luster. In fact, recent results have only added to the bullish case for this top-ranked technology stock. Share net of \$13.87 for the first quarter of fiscal 2012 (ends September 29th) trounced our \$9.50 estimate, as consumers gobbled up the company's latest smartphone offering, the iPhone 4S. (A total of 37 million iPhones, including older versions of the device, were sold, 128% more than the year-earlier period.) iPad sales were also impressive, despite fears that demand for the tablet would wane as more Android-powered products hit the market and Amazon rolled out its new Kindle Fire reader. And the gross margin came in much higher than anticipated, thanks to heightened operating leverage, stable ASPs, favorable component pricing, and a mix shift toward the profitable smartphone category.

We believe that the momentum will persist through this year and into fiscal 2013, as Apple launches its latest iPhone in new countries overseas (most notably China), penetrates the large enterprise market, and continues to gain ground in the traditional computing space

September 24, 2011, Apple operated a total of 357 retail outlets, including 245 stores in the U.S. and 112 in international markets. R&D: 2.2% of '11 revenues. Has about 60,400 full-time employees. Officers & directors own less than 1.0% of common (1/12 Proxy). CEO: Tim Cook. Inc.: CA. Address: 1 Infinite Loop, Cupertino, CA 95014. Telephone: 408-996-1010. Internet: www.apple.com.

with its Mac line. (Demand for MacBook Air and Pro laptops has been especially brisk of late.) Strong sales of the iPad 3, released in mid-March, should also bolster results in the coming periods and help the company maintain its tablet dominance. All told, we now see share earnings jumping 58% in fiscal 2012, to \$43.80, and another 14% next year, to the \$50.00 mark.

The company plans to return some of its near-\$100 billion cash hoard to shareholders. (This tally includes about \$67 billion in long-term marketable securities.) Indeed, Apple has said that it will pay a quarterly dividend of \$2.65 a share (beginning in the September interim) and repurchase up to \$10 billion of stock (over a three-year stretch starting in fiscal 2013). It should still have ample cash for R&D and acquisitions, however.

We see no reason to sell these timely shares, though investors may be tempted to take some profits off the table following the issue's meteoric rise in past months. Apple's future remains extremely bright, in our view, and the stock is still a bargain relative to the firm's earnings prospects.

Justin Hellman
 April 6, 2012

(A) Fiscal year ends last Saturday in September. (B) Primary earnings through fiscal '97, then diluted. Quarters may not add to total due to rounding. Excludes nonrecurring gains: '96, 11c; '98, 4c; '99, 26c; '00, 24c; '01, 8c; '05, 12c; losses: '96, 26c; '97, \$1.32; '02, 8c. Next earnings report due late April. (C) In mill., adjusted for splits. (D) Depreciation on accelerated basis. (E) Includes intangibles. In 2011, \$4432 mill., \$4.77 a share. (F) New dividend policy adopted 3/12. First quarterly payment likely to be made in September quarter.

Company's Financial Strength A++
Stock's Price Stability 65
Price Growth Persistence 100
Earnings Predictability 75

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