

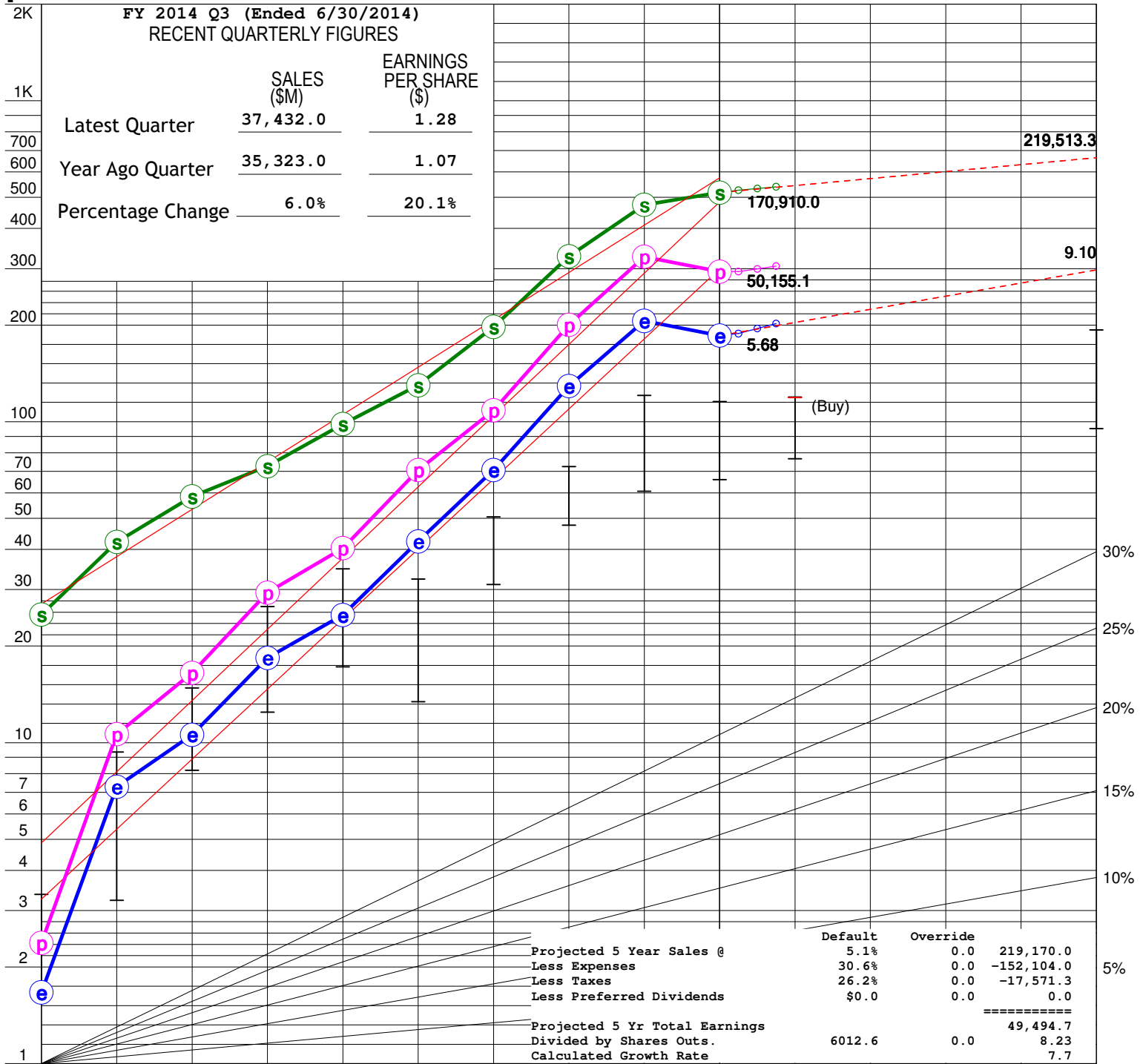


Stock Study

Company	Apple Aug14	Price Date	08/18/14
Study by	I Clements	Data Date	08/18/14
Sector	Technology	Last Judgment	08/19/14
Industry	Consumer Electronics	Data Source	BI
Preferred(\$M)	0.0	Reference	Morningsta
Common(M Shares)	6,012.6	% Insiders	0.1
Debt(\$M)	31,040.0	% Institutions	64.1
% Debt to Tot.Cap.	20.8	Quality	

1 Growth Analysis

NAS: AAPL



(1) Historical Sales Growth	40.5 %	(3) Historical Earnings Per Share Growth	65.3 %	www.iclub.com
(2) Estimated Future Sales Growth	5.1 %	(4) Estimated Future Earnings Per Share Growth	9.9 %	
(5) Sales Growth R ²	0.99	(6) Earnings Per Share Growth R ²	0.96	

2 QUALITY ANALYSIS

Company Apple Aug14 (AAPL)

08/18/14

	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	5 YEAR AVG.	TREND UP / DOWN
A % Pre-tax Profit on Sales	4.9	13.0	14.6	20.9	21.2	28.1	28.4	31.6	35.6	29.3	30.6	DOWN
B % ROE (Beginning Yr)	23.9	23.9	25.3	33.5	32.0	36.1	43.1	53.0	53.5	31.6	43.5	DOWN
C % Debt to Equity	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	13.3	13.3	EVEN

3 PRICE, PRICE/EARNINGS RATIO and DIVIDEND ANALYSIS

CURRENT PRICE (P/E) 99.16 (16.0) 52-WEEK HIGH (P/E) 99.44 (16.1) 52-WEEK LOW (P/E) 63.89 (10.3)

Fiscal Year	High Price	Low Price	EPS	High P/E	Low P/E	Dividend	% Payout	% High Yield
1 2009	27.0	11.2	1.30	20.8	8.6	0.000	0.0	0.0
2 2010	42.1	25.9	2.17	19.4	12.0	0.000	0.0	0.0
3 2011	60.4	39.7	3.95	15.3	10.0	0.000	0.0	0.0
4 2012	100.7	50.6	6.31	16.0	8.0	0.379	6.0	0.7
5 2013	96.3	55.0	5.68	17.0	9.7	1.629	28.7	3.0
6 AVERAGE (10 Years) :		21.8		29.4	14.6		17.4	
AVERAGE P/E RATIO		22.0	PROJECTED P/E RATIO		14.6	TTM EPS		6.19
CURRENT P/E RATIO		16.0	PEG RATIO		1.5	FTM EPS		6.80
RELATIVE VALUE		72.7	PROJ. RELATIVE VALUE		66.3	AVG TTM + FTM EPS		6.50

4 EVALUATING REWARD and RISK over the next 5 years

A FUTURE HIGH PRICE ANALYSIS -- NEXT 5 YEARS

Selected High P/E ~~29.4~~ 17.7 X Estimated High Earnings/Share 9.10 = Forecast High Price \$ 161.1

B FUTURE LOW PRICE ANALYSIS -- NEXT 5 YEARS

(a) Sel. Low P/E ~~14.6~~ 10.1 (as adj.) X Estimated Low Earnings/Share 5.68 = \$ 57.4

(b) Average 5-Year Low Price = 21.8

(c) Recent Severe Low Price = 50.6

(d) Price Dividend Will Support = Present Divd. ÷ High Yield = 1.880 ÷ 0.030 = 63.5

Selected Estimated Low Price = \$ 79.3

C PRICE RANGES

Forecast High Price 161.1 - Estimated Low Price 79.3 = Range 81.8 25% of Range = 20.4

BUY (Lower 25% of Range) = 79.3 to 99.7

MAYBE (Middle 50% of Range) = 99.7 to 140.7

SELL (Upper 25% of Range) = 140.7 to 161.1

Current Price 99.160 is in the Buy Range

D REWARD/RISK ANALYSIS (Potential Gain vs. Risk of Loss)

(Forecast High Price 161.1 - Current Price 99.160) ÷ (Current Price 99.160 - Estimated Low Price 79.3) = 3.1 To 1

5 TOTAL RETURN ANALYSIS

A CURRENT YIELD

Present Full Year's Dividend \$ 1.880 ÷ Current Price of Stock \$ 99.160 = 1.9 % Present Yield or % Returned on Purchase Price

B AVERAGE YIELD - USING FORECAST HIGH P/E

Avg. % Payout 17.4 ÷ Forecast High P/E 17.7 = Avg. Yield 1.0

AVERAGE YIELD - USING FORECAST AVERAGE P/E

Avg. % Payout 17.4 ÷ Forecast Avg P/E 13.9 = Avg. Yield 1.3

C % COMPOUND ANNUAL TOTAL RETURN - USING FORECAST HIGH P/E

Average Yield 1.0 % + Annual Appreciation 10.2 % = Compound Annual Total Return 11.2 %

D % PROJECTED AVERAGE RETURN - USING FORECAST AVERAGE P/E

Average Yield 1.3 % + Annual Appreciation 5.0 % = Projected Average Total Return 6.2 %