

Tiburon Research Group

Quick Note: Apple (AAPL - \$427.75)

January 19, 2012

GPM% Upside vs. Expectations Continues at AAPL Driven by Favorable Sales Mix

While we don't cover AAPL as closely as many of the retailers that we follow, we have put together a robust set of earnings analytics based upon company disclosures in SEC filings and quarterly conference calls. See our updated company Data Packet attached.

AAPL should again easily exceed the consensus sell-side EPS expectation in Q1 2011 (December 2011). In our view, GPM% upside versus consensus expectations appears to be the largest driver of material EPS outperformance versus today's consensus sell-side estimates.

Why? GPM% pressures began to ease in Q3 2010 (June 2011) as the company fully lapped its *iPad* launch (i.e. today, *iPad* sales mix has become much less of an issue).

Also, keep an eye on Product Warranty Accruals. Per SEC filings, AAPL's Product Warranty Accruals (see table below) have greatly out-stripped the actual Product Warranty Costs for the past 5 fiscal quarters. AAPL may receive a GPM% boost if Product Warranty accruals are scaled-back versus the prior year (relative to sales growth).

The major concern is whether GPM% will materially decline from the impact of recently reduced price points on *iPhones* and *iPods* and the stronger U.S. Dollar. Therefore, our GPM% expectations beyond Q2 are for AAPL's reported GPM% to decline versus the prior year.

In Q1 2011 (Dec 2011), we're forecasting EPS of \$10.83 versus the current consensus sell-side estimate of \$10.05. Our estimate implies revenue growth of +49.1%, a +350 Bps GPM% versus LY, and a +421 Bps EBIT margin improvement versus LY.

AAPL Product Warranty Disclosures (per SEC Filings)

	<u>Q1 2009</u>	<u>Q2 2009</u>	<u>Q3 2009</u>	<u>Q4 2009</u>	<u>Q1 2010</u>	<u>Q2 2010</u>	<u>Q3 2010</u>	<u>Q4 2010</u>
Warranty Accrual	\$142M	\$141M	\$157M	\$457M	\$396M	\$448M	\$375M	\$407M
Warranty Costs	<u>\$135M</u>	<u>\$137M</u>	<u>\$155M</u>	<u>\$286M</u>	<u>\$253M</u>	<u>\$249M</u>	<u>\$288M</u>	<u>\$357M</u>
Difference	\$7M	\$4M	\$2M	\$171M	\$143M	\$199M	\$87M	\$50M

AAPL Model Overview

	<u>Q1 '10</u>	<u>Q2 '10</u>	<u>Q3 '10</u>	<u>Q4 '10</u>	<u>Q1 '11</u>	<u>Q2 '11</u>	<u>Q3 '11</u>	<u>Q4 '11</u>
Revenue	\$26.7B	\$24.7B	\$28.6B	\$28.3B	\$39.9B			
Growth %	+70.5%	+82.7%	+82.0%	+39.0%	+49.1%			
<i>iPhone</i> Units Sold	16.2M	18.6M	20.3M	17.1M	28.5M			
<i>Mac</i> Units Sold (Desk & Port)	4.1M	3.8M	4.0M	4.9M	5.6M			
GPM%	38.51%	41.42%	41.73%	40.25%	42.01%			
Bps Change vs. LY	-237 Bps	-25 Bps	+265 Bps	+332 Bps	+350 Bps			
Tax Rate %	-24.60%	-24.22%	-23.48%	-24.66%	-24.00%			

Note: This research note is a publication of Tiburon Research Group, Inc. This report is intended solely for clients of TRG.

Apple Inc. (AAPL)

19-Jan-12

	2006	2007	2008	Q1 2009	Q2 2009	Q3 2009	Q4 2009	2009	Q1 2010	Q2 2010	Q3 2010	Q4 2010	2010	14-Weeks Q1 2011E	Q2 2011E	Q3 2011E	Q4 2011E	53-Weeks 2011E	2012E
	29-Sep-07	27-Sep-08	26-Sep-09	26-Dec-09	27-Mar-10	26-Jun-10	25-Sep-10		25-Dec-10	26-Mar-11	25-Jun-11	24-Sep-11						29-Sep-12	29-Sep-12
Store Count:																			
Total U.S. Stores	174	205	217				233	233	236	236	236	245	245						
Total International Stores	23	42	56				84	84	87	87	91	112	112						
Total Stores	197	247	273	283	286	293	317	317	323	323	327	357	357						
Income Statement:																			
Desktop Sales	4,023,000	5,622,000	4,324,000	1,692,000	1,532,000	1,301,000	1,676,000	6,201,000	1,731,000	1,441,000	1,580,000	1,687,000	6,439,000	1,622,400	1,455,410	1,485,200	1,552,040	6,115,050	
Portables Sales	6,313,000	8,732,000	9,535,000	2,758,000	2,228,000	3,098,000	3,194,000	11,278,000	3,699,000	3,535,000	3,525,000	4,585,000	15,344,000	5,452,300	4,418,750	4,230,000	5,272,750	19,373,800	
Ipod Sales	8,305,000	9,153,000	8,091,000	3,391,000	1,861,000	1,545,000	1,477,000	8,274,000	3,425,000	1,600,000	1,325,000	1,103,000	7,453,000	1,874,500	1,200,000	1,033,500	904,460	5,012,460	
Other Music Products/Svcs Sales	2,496,000	3,340,000	4,036,000	1,164,000	1,327,000	1,214,000	1,243,000	4,948,000	1,431,000	1,634,000	1,571,000	1,678,000	6,314,000	2,100,000	2,042,500	1,963,750	2,097,500	8,203,750	
iPhone Products/Svcs Sales	630,000	6,742,000	13,033,000	5,578,000	5,445,000	5,334,000	8,822,000	25,179,000	10,468,000	12,298,000	13,311,000	10,980,000	47,057,000	17,670,000	19,061,900	19,300,950	15,372,000	71,404,850	
IPad Products/Svcs Sales	0	0	0	0	0	2,166,000	2,792,000	4,958,000	4,608,000	2,836,000	6,046,000	6,868,000	20,358,000	9,377,500	5,388,400	10,580,500	10,302,000	35,648,400	
Peripherals and Other Hard Sales	1,303,000	1,694,000	1,475,000	469,000	472,000	396,000	477,000	1,814,000	593,000	580,000	517,000	640,000	2,330,000	825,000	725,000	568,700	704,000	2,822,700	
Software, Service, Other Sales	1,508,000	2,208,000	2,411,000	631,000	634,000	646,000	662,000	2,573,000	786,000	743,000	696,000	729,000	2,954,000	950,000	854,450	751,680	772,740	3,328,870	
Total Net Sales	24,578,000	37,491,000	42,905,000	15,683,000	13,499,000	15,700,000	20,343,000	65,225,000	26,741,000	24,667,000	28,571,000	28,270,000	108,249,000	39,871,700	35,146,410	39,914,280	36,977,490	151,909,880	
Cost of Sales	(16,426,000)	(24,294,000)	(25,683,000)	(9,272,000)	(7,874,000)	(9,564,000)	(12,831,000)	(39,541,000)	(16,443,000)	(14,449,000)	(16,649,000)	(16,890,000)	(64,431,000)	(23,121,538)	(20,235,980)	(23,658,141)	(22,646,980)	(89,662,638)	
Non-Recurring Items	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Gross Profit	8,152,000	13,197,000	17,222,000	6,411,000	5,625,000	6,136,000	7,512,000	25,684,000	10,298,000	10,218,000	11,922,000	11,380,000	43,818,000	16,750,162	14,910,430	16,256,139	14,330,510	62,247,242	
Research and Devl Expense	(782,000)	(1,109,000)	(1,333,000)	(398,000)	(426,000)	(464,000)	(494,000)	(1,782,000)	(575,000)	(581,000)	(628,000)	(645,000)	(2,429,000)	(799,844)	(781,349)	(852,209)	(837,218)	(3,270,620)	
Selling, General & Admin Expense	(2,963,000)	(3,761,000)	(4,149,000)	(1,288,000)	(1,220,000)	(1,438,000)	(1,571,000)	(5,517,000)	(1,896,000)	(1,763,000)	(1,915,000)	(2,025,000)	(7,599,000)	(2,599,478)	(2,335,684)	(2,522,095)	(2,567,724)	(10,024,980)	
Restructuring Expense	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Non-Recurring Items	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Operating Income	4,407,000	8,327,000	11,740,000	4,725,000	3,979,000	4,234,000	5,447,000	18,385,000	7,827,000	7,874,000	9,379,000	8,710,000	33,790,000	13,350,841	11,793,397	12,881,833	10,925,569	48,951,642	
Other Income/(Expense)	599,000	620,000	326,000	33,000	50,000	58,000	14,000	155,000	136,000	26,000	172,000	81,000	415,000	80,000	80,000	80,000	80,000	320,000	
Income Before Tax	5,006,000	8,947,000	12,066,000	4,758,000	4,029,000	4,292,000	5,461,000	18,540,000	7,963,000	7,900,000	9,551,000	8,791,000	34,205,000	13,430,841	11,873,397	12,961,833	11,005,569	49,271,642	
Income Tax (Exp)/Benefit	(1,511,000)	(2,828,000)	(3,831,000)	(1,380,000)	(955,000)	(1,039,000)	(1,153,000)	(4,527,000)	(1,959,000)	(1,913,000)	(2,243,000)	(2,168,000)	(8,283,000)	(3,223,402)	(2,849,615)	(3,110,840)	(2,641,337)	(11,825,194)	
Income Before Minority/Dis	3,495,000	6,119,000	8,235,000	3,378,000	3,074,000	3,253,000	4,308,000	14,013,000	6,004,000	5,987,000	7,308,000	6,623,000	25,922,000	10,207,439	9,023,781	9,850,994	8,364,233	37,446,448	
Minority Interest	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Net Income Bef Discontinued	3,495,000	6,119,000	8,235,000	3,378,000	3,074,000	3,253,000	4,308,000	14,013,000	6,004,000	5,987,000	7,308,000	6,623,000	25,922,000	10,207,439	9,023,781	9,850,994	8,364,233	37,446,448	
Net Income per share - Dil	3.93	6.78	9.08	3.67	3.33	3.51	4.64	15.15	6.43	6.40	7.79	7.05	27.68	10.83	9.023,781	10.36	8.76	37.448	
Discontinued Operations	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Net Income	3,495,000	6,119,000	8,235,000	3,378,000	3,074,000	3,253,000	4,308,000	14,013,000	6,004,000	5,987,000	7,308,000	6,623,000	25,922,000	10,207,439	9,023,781	9,850,994	8,364,233	37,446,448	
Net Income per share - Dil	3.93	6.78	9.08	3.67	3.33	3.51	4.64	15.15	6.43	6.40	7.79	7.05	27.68	10.83	9.53	10.36	8.76	37.448	
Weighted shares - Basic	864,595	881,592	893,016	903,542	907,548	912,197	914,555	909,461	919,294	923,196	926,108	928,280	924,258	931,000	935,000	939,000	943,000	943,000	937,000
Weighted shares - Diluted	889,292	902,139	907,005	919,783	922,878	927,361	928,825	924,712	933,154	935,944	937,810	939,517	936,645	942,500	946,500	950,500	954,500	948,500	948,500
Profitability Metrics:																			
Gross Profit Margin	33.17%	35.20%	40.14%	40.88%	41.67%	39.08%	36.93%	39.38%	38.51%	41.42%	41.73%	40.25%	40.48%	42.01%	42.42%	40.73%	38.75%	40.98%	
Research & Devl Exp Ratio	-3.18%	-2.96%	-3.11%	-2.54%	-3.16%	-2.96%	-2.43%	-2.73%	-2.15%	-2.36%	-2.20%	-2.28%	-2.24%	-2.01%	-2.22%	-2.14%	-2.26%	-2.15%	
SG&A Expense Ratio	-12.06%	-10.03%	-9.67%	-8.21%	-9.04%	-7.72%	-8.46%	-7.09%	-7.09%	-7.15%	-6.70%	-7.16%	-6.02%	-6.52%	-6.63%	-6.32%	-6.94%	-6.60%	
Operating Margin (ex-Items)	17.93%	22.21%	27.36%	30.13%	29.48%	26.97%	26.78%	28.19%	29.27%	31.92%	32.83%	30.81%	31.22%	33.48%	33.56%	32.27%	29.55%	32.22%	
Depreciation & Amort Expense	327,000	496,000	734,000	209,000	216,000	273,000	329,000	1,027,000	356,000	434,000	481,000	543,000	1,814,000	568,000	593,000	608,000	618,000	2,387,000	
EBITDA (ex-Items)	4,734,000	8,823,000	12,474,000	4,934,000	4,195,000	4,507,000	5,776,000	19,412,000	8,183,000	8,308,000	9,860,000	9,255,000	35,604,000	13,918,841	12,386,397	13,489,833	11,543,569	51,338,642	
Sales Metrics:																			
Total Company Revenue	27.2%	52.5%	14.4%	32.0%	48.6%	61.3%	66.7%	52.0%	70.5%	82.7%	82.0%	39.0%	66.0%	49.1%	42.5%	39.7%	30.8%	40.3%	
Desktop Sales Growth	21.2%	39.7%	-23.1%	61.9%	45.1%	14.7%	53.9%	43.4%	2.3%	-5.9%	21.4%	0.7%	3.8%	-6.3%	1.0%	-6.0%	-8.0%	-5.0%	
Portables Sales Growth	55.6%	38.3%	9.2%	9.4%	17.0%	39.5%	10.5%	18.3%	34.1%	58.7%	13.8%	43.6%	36.1%	47.4%	25.0%	20.0%	15.0%	26.3%	
IPod Sales Growth	8.2%	10.2%	-11.6%	0.6%	11.8%	3.6%	-5.5%	2.3%	1.0%	-14.0%	-9.9%	-25.3%	36.1%	-45.3%	-25.0%	-22.0%	-18.0%	-32.7%	
Other Music Sales Growth	32.4%	33.8%	20.8%	15.1%	26.5%	26.7%	22.1%	22.6%	22.9%	23.1%	29.4%	35.0%	27.6%	46.8%	25.0%	25.0%	25.0%	29.9%	
iPhone Sales Growth		970.2%	93.3%	89.7%	124.4%	74.3%	91.5%	93.2%	87.7%	125.9%	149.6%	24.5%	86.9%	68.8%	55.0%	45.0%	40.0%	51.7%	
IPad Sales Growth																			
Peripherals Sales Growth	18.5%	30.0%	-12.9%	21.2%	32.2%	16.5%	22.0%	23.0%	26.4%	22.9%	30.6%	34.2%	28.4%	39.1%	25.0%	10.0%	10.0%	21.1%	
Software, Service Sales Growth	17.9%	46.4%	9.2%	4.1%	1.3%	21.9%	2.0%	6.7%	24.6%										

Apple (AAPL) 3-Year Profitability Run Rates

	FY 2008 vs. LY	FY 2009 vs. LY	Combined 2-Year	FY 2010 vs. LY	Combined 3-Year
Gross Profit Margin %					
Q1	Higher 530 Bps +	Higher 294 Bps =	Higher 824 Bps +	Lower 237 Bps =	Higher 587 Bps
Q2	Higher 726 Bps +	Higher 174 Bps =	Higher 900 Bps +	Lower 25 Bps =	Higher 875 Bps
Q3	Higher 464 Bps +	Lower 184 Bps =	Higher 280 Bps +	Higher 265 Bps =	Higher 545 Bps
Q4	Higher 325 Bps +	Lower 489 Bps =	Lower 164 Bps +	Higher 332 Bps =	Higher 168 Bps
Research & Development Expense %					
Q1	Higher 29 Bps +	Lower 11 Bps =	Higher 18 Bps +	Lower 39 Bps =	Lower 21 Bps
Q2	Higher 9 Bps +	Lower 35 Bps =	Lower 26 Bps +	Lower 80 Bps =	Lower 106 Bps
Q3	Lower 36 Bps +	Lower 54 Bps =	Lower 90 Bps +	Lower 76 Bps =	Lower 166 Bps
Q4	Higher 34 Bps +	Lower 50 Bps =	Lower 16 Bps +	Lower 15 Bps =	Lower 31 Bps
SG&A Expense %					
Q1	Lower 2 Bps +	Lower 97 Bps =	Lower 99 Bps +	Lower 112 Bps =	Lower 211 Bps
Q2	Lower 26 Bps +	Lower 180 Bps =	Lower 206 Bps +	Lower 189 Bps =	Lower 395 Bps
Q3	Lower 173 Bps +	Lower 122 Bps =	Lower 295 Bps +	Lower 246 Bps =	Lower 541 Bps
Q4	Higher 4 Bps +	Lower 99 Bps =	Lower 95 Bps +	Lower 56 Bps =	Lower 151 Bps
Operating Margin % (ex-Items)					
Q1	Higher 503 Bps +	Higher 403 Bps =	Higher 906 Bps +	Lower 86 Bps =	Higher 820 Bps
Q2	Higher 742 Bps +	Higher 391 Bps =	Higher 1,133 Bps +	Higher 244 Bps =	Higher 1,377 Bps
Q3	Higher 674 Bps +	Lower 7 Bps =	Higher 667 Bps +	Higher 586 Bps =	Higher 1,253 Bps
Q4	Higher 287 Bps +	Lower 340 Bps =	Lower 53 Bps +	Higher 403 Bps =	Higher 350 Bps

	FY 2009 vs. LY	FY 2010 vs. LY	Combined 2-Year	FY 2011 vs. LY	Combined 3-Year
Gross Profit Margin %					
Q1	Higher 294 Bps +	Lower 237 Bps =	Higher 57 Bps +		=
Q2	Higher 174 Bps +	Lower 25 Bps =	Higher 149 Bps +		=
Q3	Lower 184 Bps +	Higher 265 Bps =	Higher 81 Bps +		=
Q4	Lower 489 Bps +	Higher 332 Bps =	Lower 167 Bps +		=
Research & Development Expense %					
Q1	Lower 11 Bps +	Lower 39 Bps =	Lower 50 Bps +		=
Q2	Lower 35 Bps +	Lower 80 Bps =	Lower 115 Bps +		=
Q3	Lower 54 Bps +	Lower 76 Bps =	Lower 130 Bps +		=
Q4	Lower 50 Bps +	Lower 15 Bps =	Lower 65 Bps +		=
SG&A Expense %					
Q1	Lower 97 Bps +	Lower 112 Bps =	Lower 209 Bps +		=
Q2	Lower 180 Bps +	Lower 189 Bps =	Lower 369 Bps +		=
Q3	Lower 122 Bps +	Lower 246 Bps =	Lower 368 Bps +		=
Q4	Lower 99 Bps +	Lower 56 Bps =	Lower 155 Bps +		=
Operating Margin % (ex-Items)					
Q1	Higher 403 Bps +	Lower 86 Bps =	Higher 317 Bps +		=
Q2	Higher 391 Bps +	Higher 244 Bps =	Higher 635 Bps +		=
Q3	Lower 7 Bps +	Higher 586 Bps =	Higher 579 Bps +		=
Q4	Lower 340 Bps +	Higher 403 Bps =	Higher 63 Bps +		=

*Gross Margin / SG&A Ratio / Operating Margin each are adjusted for non-recurring items.

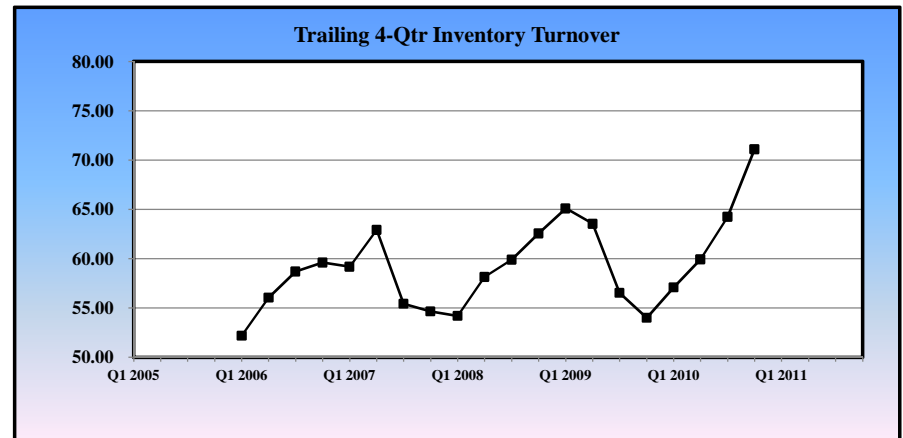
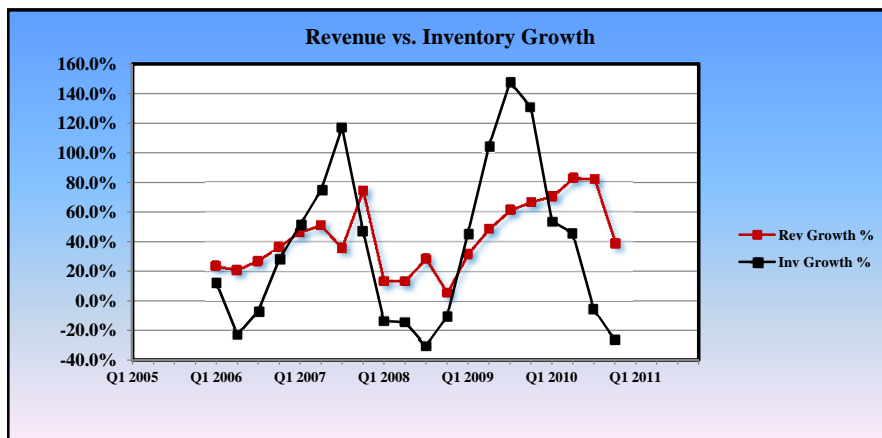
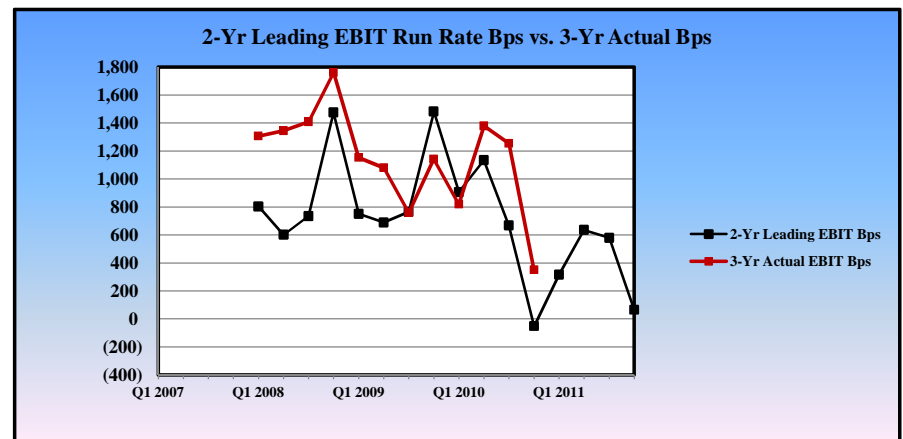
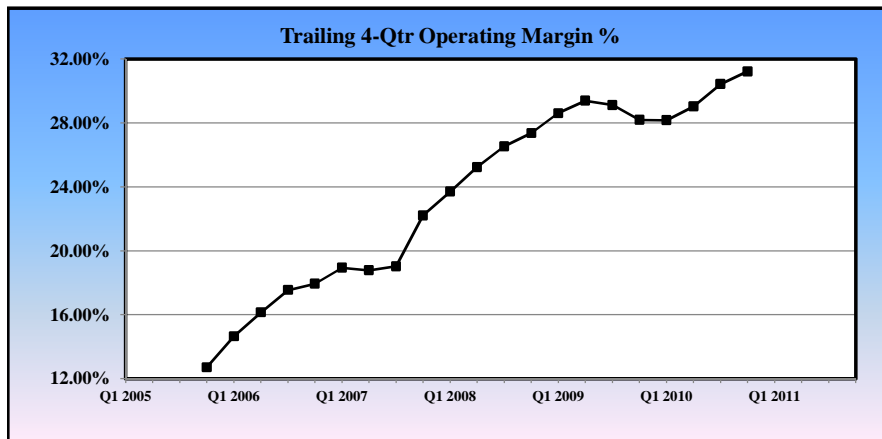
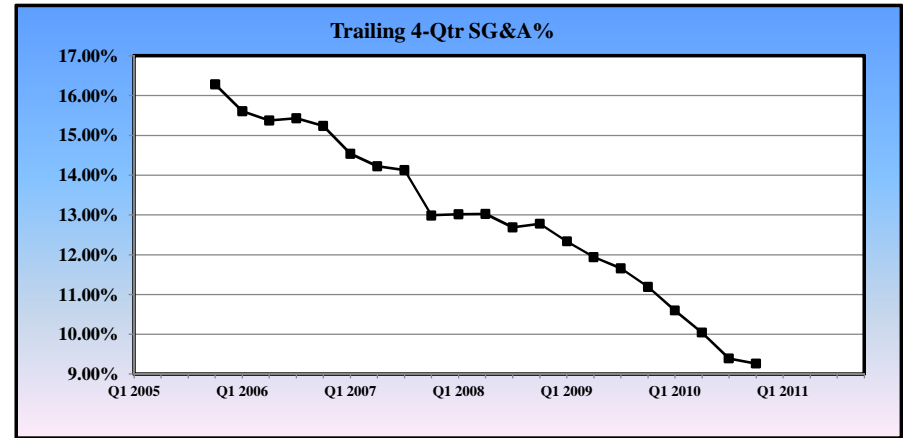
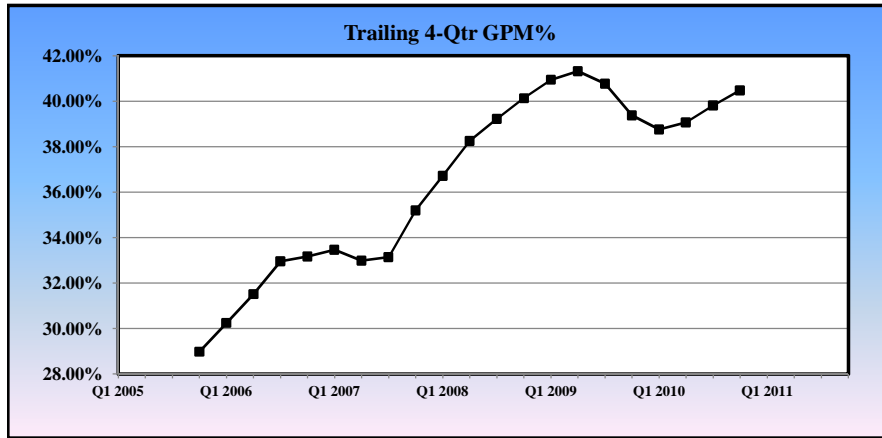
Non-Recurring Items:

Apple Inc. (AAPL) Diagnostics

18-Oct-11

	Q1 2008		Q2 2008		Q3 2008		Q4 2008		Q1 2009		Q2 2009		Q3 2009		Q4 2009		Q1 2010		Q2 2010		Q3 2010		Q4 2010		Q1 2011		Q2 2011		Q3 2011		Q4 2011	
	27-Dec-08	28-Mar-09	27-Jun-09	26-Sep-09	26-Dec-09	27-Mar-10	26-Jun-10	25-Sep-10	25-Dec-10	26-Mar-11	25-Jun-11	24-Sep-11	25-Dec-10	26-Mar-11	25-Jun-11	24-Sep-11	25-Dec-10	26-Mar-11	25-Jun-11	24-Sep-11	25-Dec-10	26-Mar-11	25-Jun-11	24-Sep-11	25-Dec-10	26-Mar-11	25-Jun-11	24-Sep-11	25-Dec-10	26-Mar-11	25-Jun-11	24-Sep-11
Net Revenue	\$11,880,000	\$9,084,000	\$9,734,000	\$12,207,000	\$15,683,000	\$13,499,000	\$15,700,000	\$20,343,000	\$26,741,000	\$24,667,000	\$28,571,000	\$28,270,000	\$26,741,000	\$24,667,000	\$28,571,000	\$28,270,000	\$26,741,000	\$24,667,000	\$28,571,000	\$28,270,000	\$26,741,000	\$24,667,000	\$28,571,000	\$28,270,000	\$26,741,000	\$24,667,000	\$28,571,000	\$28,270,000	\$26,741,000	\$24,667,000	\$28,571,000	\$28,270,000
Growth %	13.9%	13.8%	28.7%	6.0%	32.0%	48.6%	61.3%	66.7%	70.5%	82.7%	82.0%	39.0%	70.5%	82.7%	82.0%	39.0%	70.5%	82.7%	82.0%	39.0%	70.5%	82.7%	82.0%	39.0%	70.5%	82.7%	82.0%	39.0%	70.5%	82.7%	82.0%	
Gross Profit \$	4,507,000	3,627,000	3,983,000	5,105,000	\$6,411,000	\$5,625,000	6,136,000	7,512,000	\$10,298,000	\$10,218,000	11,922,000	11,380,000	\$10,298,000	\$10,218,000	11,922,000	11,380,000	\$10,298,000	\$10,218,000	11,922,000	11,380,000	\$10,298,000	\$10,218,000	11,922,000	11,380,000	\$10,298,000	\$10,218,000	11,922,000	11,380,000	\$10,298,000	\$10,218,000	11,922,000	11,380,000
Gross Profit Margin	37.94%	39.93%	40.92%	41.82%	40.88%	41.67%	39.08%	36.93%	38.51%	41.42%	41.73%	40.25%	38.51%	41.42%	41.73%	40.25%	38.51%	41.42%	41.73%	40.25%	38.51%	41.42%	41.73%	40.25%	38.51%	41.42%	41.73%	40.25%	38.51%	41.42%	41.73%	40.25%
Bps Change	530	726	464	325	294	174	(184)	(489)	(237)	(25)	264	333	(237)	(25)	264	333	(237)	(25)	264	333	(237)	(25)	264	333	(237)	(25)	264	333	(237)	(25)	264	333
Trailing 4-Qtr	36.72%	38.26%	39.22%	40.14%	40.95%	41.32%	40.77%	39.38%	38.76%	39.07%	39.82%	40.48%	38.76%	39.07%	39.82%	40.48%	38.76%	39.07%	39.82%	40.48%	38.76%	39.07%	39.82%	40.48%	38.76%	39.07%	39.82%	40.48%	38.76%	39.07%	39.82%	40.48%
Bps Change	152	153	97	91	81	37	(55)	(140)	(61)	30	76	66	(61)	30	76	66	(61)	30	76	66	(61)	30	76	66	(61)	30	76	66	(61)	30	76	66
SG&A \$	(\$1,406,000)	(\$1,304,000)	(\$1,351,000)	(\$1,421,000)	(\$1,686,000)	(\$1,646,000)	(\$1,902,000)	(\$2,065,000)	(\$2,471,000)	(\$2,344,000)	(\$2,543,000)	(\$2,670,000)	(\$2,471,000)	(\$2,344,000)	(\$2,543,000)	(\$2,670,000)	(\$2,471,000)	(\$2,344,000)	(\$2,543,000)	(\$2,670,000)	(\$2,471,000)	(\$2,344,000)	(\$2,543,000)	(\$2,670,000)	(\$2,471,000)	(\$2,344,000)	(\$2,543,000)	(\$2,670,000)	(\$2,471,000)	(\$2,344,000)	(\$2,543,000)	(\$2,670,000)
SG&A Exp Ratio	-11.84%	-14.35%	-13.88%	-11.64%	-10.75%	-12.19%	-12.11%	-10.15%	-9.24%	-9.50%	-8.90%	-9.44%	-9.24%	-9.50%	-8.90%	-9.44%	-9.24%	-9.50%	-8.90%	-9.44%	-9.24%	-9.50%	-8.90%	-9.44%	-9.24%	-9.50%	-8.90%	-9.44%	-9.24%	-9.50%	-8.90%	-9.44%
Bps Change	(27)	17	210	(38)	108	216	176	149	151	269	321	71	151	269	321	71	151	269	321	71	151	269	321	71	151	269	321	71	151	269	321	71
Trailing 4-Qtr	-13.02%	-13.02%	-12.69%	-12.78%	-12.34%	-11.94%	-11.66%	-11.19%	-10.60%	-10.04%	-9.39%	-9.26%	-10.60%	-10.04%	-9.39%	-9.26%	-10.60%	-10.04%	-9.39%	-9.26%	-10.60%	-10.04%	-9.39%	-9.26%	-10.60%	-10.04%	-9.39%	-9.26%	-10.60%	-10.04%	-9.39%	-9.26%
Bps Change	(3)	(0)	33	(9)	44	40	28	47	59	56	65	13	59	56	65	13	59	56	65	13	59	56	65	13	59	56	65	13	59	56	65	13
Operating Margin \$	\$3,101,000	\$2,323,000	\$2,632,000	\$3,684,000	\$4,725,000	\$3,979,000	\$4,234,000	\$5,447,000	\$7,827,000	\$7,874,000	\$9,379,000	\$8,710,000	\$7,827,000	\$7,874,000	\$9,379,000	\$8,710,000	\$7,827,000	\$7,874,000	\$9,379,000	\$8,710,000	\$7,827,000	\$7,874,000	\$9,379,000	\$8,710,000	\$7,827,000	\$7,874,000	\$9,379,000	\$8,710,000	\$7,827,000	\$7,874,000	\$9,379,000	\$8,710,000
Operating Margin	26.10%	25.57%	27.04%	30.18%	30.13%	29.48%	26.97%	26.78%	29.27%	31.92%	32.83%	30.81%	29.27%	31.92%	32.83%	30.81%	29.27%	31.92%	32.83%	30.81%	29.27%	31.92%	32.83%	30.81%	29.27%	31.92%	32.83%	30.81%	29.27%	31.92%	32.83%	30.81%
Bps Change	503	743	674	287	403	390	(7)	(340)	(86)	244	586	403	(86)	244	586	403	(86)	244	586	403	(86)	244	586	403	(86)	244	586	403	(86)	244	586	403
Bps Change - 2yr	750	688	764	1,481	905	1,133	667	(53)	317	635	579	63	317	635	579	63	317	635	579	63	317	635	579	63	317	635	579	63	317	635	579	63
Bps Change - 3yr	1,306	1,344	1,409	1,761	1,153	1,079	757	1,141	820	1,378	1,253	350	820	1,378	1,253	350	820	1,378	1,253	350	820	1,378	1,253	350	820	1,378	1,253	350	820	1,378	1,253	350
Trailing 4-Qtr	23.70%	25.23%	26.53%	27.36%	28.61%	29.38%	29.12%	28.19%	28.17%	29.02%	30.43%	31.22%	28.17%	29.02%	30.43%	31.22%	28.17%	29.02%	30.43%	31.22%	28.17%	29.02%	30.43%	31.22%	28.17%	29.02%	30.43%	31.22%	28.17%	29.02%	30.43%	31.22%
Bps Change	149	153	130	83	125	77	(26)	(93)	(2)	86	140	79	(2)	86	140	79	(2)	86	140	79	(2)	86	140	79	(2)	86	140	79	(2)	86	140	79
Depr/Amort \$	(\$168,000)	(\$162,000)	(\$176,000)	(\$228,000)	(\$209,000)	(\$216,000)	(\$273,000)	(\$329,000)	(\$356,000)	(\$434,000)	(\$481,000)	(\$543,000)	(\$356,000)	(\$434,000)	(\$481,000)	(\$543,000)	(\$356,000)	(\$434,000)	(\$481,000)	(\$543,000)	(\$356,000)	(\$434,000)	(\$481,000)	(\$543,000)	(\$356,000)	(\$434,000)	(\$481,000)	(\$543,000)	(\$356,000)	(\$434,000)	(\$481,000)	(\$543,000)
Trailing 4-Qtr	(\$558,000)	(\$606,000)	(\$663,000)	(\$734,000)	(\$775,000)	(\$829,000)	(\$926,000)	(\$1,027,000)	(\$1,174,000)	(\$1,392,000)	(\$1,244,000)	(\$1,814,000)	(\$1,174,000)	(\$1,392,000)	(\$1,244,000)	(\$1,814,000)	(\$1,174,000)	(\$1,392,000)	(\$1,244,000)	(\$1,814,000)	(\$1,174,000)	(\$1,392,000)	(\$1,244,000)	(\$1,814,000)	(\$1,174,000)	(\$1,392,000)	(\$1,244,000)	(\$1,814,000)	(\$1,174,000)	(\$1,392,000)	(\$1,244,000)	(\$1,814,000)
EBITDA \$	\$3,269,000	\$2,485,000	\$2,808,000	\$3,912,000	\$4,934,000	\$4,195,000	\$4,507,000	\$5,776,000	\$8,183,000	\$8,308,000	\$9,860,000	\$9,253,000	\$8,183,000	\$8,308,000	\$9,860,000	\$9,253,000	\$8,183,000	\$8,308,000	\$9,860,000	\$9,253,000	\$8,183,000	\$8,308,000	\$9,860,000	\$9,253,000	\$8,183,000	\$8,308,000	\$9,860,000	\$9,253,000	\$8,183,000	\$8,308,000	\$9,860,000	\$9,253,000
Trailing 4-Qtr	\$9,788,000	\$10,711,000	\$11,865,000	\$12,474,000	\$14,139,000	\$15,849,000	\$17,548,000	\$19,412,000	\$22,661,000	\$26,774,000	\$23,944,000	\$35,604,000	\$22,661,000	\$26,774,000	\$23,944,000	\$35,604,000	\$22,661,000	\$26,774,000	\$23,944,000	\$35,604,000	\$22,661,000	\$26,774,000	\$23,944,000	\$35,604,000	\$22,661,000	\$26,774,000	\$23,944,000	\$35,604,000	\$22,661,000	\$26,774,000	\$23,944,000	\$35,604,000
CapEx \$	(\$373,000)	(\$96,000)	(\$272,000)	(\$472,000)	(\$381,000)	(\$301,000)	(\$1,178,000)	(\$261,000)	(\$1,263,000)	(\$656,000)	(\$962,000)	(\$4,571,000)	(\$1,263,000)	(\$656,000)	(\$962,000)	(\$4,571,000)	(\$1,263,000)	(\$656,000)	(\$962,000)	(\$4,571,000)	(\$1,263,000)	(\$656,000)	(\$962,000)	(\$4,571,000)	(\$1,263,000)	(\$656,000)	(\$962,000)	(\$4,571,000)	(\$1,263,000)	(\$656,000)	(\$962,000)	(\$4,571,000)
Trailing 4-Qtr	(\$1,560,000)	(\$1,441,000)	(\$1,383,000)	(\$1,213,000)	(\$1,221,000)	(\$1,426,000)	(\$2,332,000)	(\$2,121,000)	(\$3,003,000)	(\$3,358,000)	(\$1,879,000)	(\$7,452,000)	(\$3,003,000)	(\$3,358,000)	(\$1,879,000)	(\$7,452,000)	(\$3,003,000)	(\$3,358,000)	(\$1,879,000)	(\$7,452,000)	(\$3,003,000)	(\$3,358,000)	(\$1,879,000)	(\$7,452,000)	(\$3,003,000)	(\$3,358,000)	(\$1,879,000)	(\$7,452,000)	(\$3,003,000)	(\$3,358,000)	(\$1,879,000)	(\$7,452,000)
Dividends \$	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Trailing 4-Qtr	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Share Repo \$	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Trailing 4-Qtr	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Inventory \$	\$396,000	\$312,000	\$380,000	\$455,000	\$576,000	\$638,000	\$942,000	\$1,051,000	\$885,000	\$930,000	\$889,000	\$776,000	\$885,000	\$930,000	\$889,000	\$776,000	\$885,000	\$930,000	\$889,000	\$776,000	\$885,000	\$930,000	\$889,000	\$776,000	\$885,000	\$930,000	\$889,000	\$776,000	\$885,000	\$930,000	\$889,000	\$776,000
Growth %	-13.7%	-14.3%	-30.3%	-10.6%	45.5%	104.5%	147.9%	131.0%	53.6%	45.8%	-5.6%	-26.2%	53.6%	45.8%	-5.6%	-26.2%	53.6%	45.8%	-5.6%	-26.2%	53.6%	45										

Apple Inc. (AAPL) Chartology



Apple (AAPL) Revenue by Product Category

18-Oct-11

	FY 2008	Q1 2009 26-Dec-09	Q2 2009 27-Mar-10	Q3 2009 26-Jun-10	Q4 2009 25-Sep-10	FY 2009	Q1 2010 25-Dec-10	Q2 2010 26-Mar-11	Q3 2010 25-Jun-11	Q4 2010 24-Sep-11	FY 2010	Q1 2011	Q2 2011	Q3 2011	Q4 2011	FY 2011
Desktops:																
Units	3,182,000	1,234,000	1,147,000	1,004,000	1,242,000	4,627,000	1,227,000	1,009,000	1,155,000	1,278,000	4,669,000	<i>1,250,000</i>				
Growth %		69.5%	40.2%	18.3%	57.8%	45.4%	-0.6%	-12.0%	15.0%	2.9%	0.9%	<i>1.9%</i>				
Revenue	\$4,324,000	\$1,692,000	\$1,532,000	\$1,301,000	\$1,676,000	\$6,201,000	\$1,731,000	\$1,441,000	\$1,580,000	\$1,687,000	\$6,439,000	<i>\$1,622,372</i>				
Growth %		61.9%	45.1%	14.7%	53.9%	43.4%	2.3%	-5.9%	21.4%	0.7%	3.8%	<i>-6.3%</i>				
Avg Price	\$1,359	\$1,371	\$1,336	\$1,296	\$1,349	\$1,340	\$1,411	\$1,428	\$1,368	\$1,320	\$1,379	<i>\$1,298</i>				
Growth %		-4.5%	3.5%	-3.0%	-2.5%	-1.4%	2.9%	6.9%	5.6%	-2.2%	2.9%	<i>-8.0%</i>				
Portables:																
Units	7,214,000	2,128,000	1,796,000	2,468,000	2,643,000	9,035,000	2,907,000	2,751,000	2,792,000	3,616,000	12,066,000	<i>4,300,000</i>				
Growth %		18.5%	28.5%	40.7%	16.6%	25.2%	36.6%	53.2%	13.1%	36.8%	33.5%	<i>47.9%</i>				
Revenue	\$9,535,000	\$2,758,000	\$2,228,000	\$3,098,000	\$3,194,000	\$11,278,000	\$3,699,000	\$3,535,000	\$3,525,000	\$4,585,000	\$15,344,000	<i>\$5,452,295</i>				
Growth %		9.4%	17.0%	39.5%	10.5%	18.3%	34.1%	58.7%	13.8%	43.6%	36.1%	<i>47.4%</i>				
Avg Price	\$1,322	\$1,296	\$1,241	\$1,255	\$1,208	\$1,248	\$1,272	\$1,285	\$1,263	\$1,268	\$1,272	<i>\$1,268</i>				
Growth %		-7.6%	-8.9%	-0.8%	-5.3%	-5.6%	-1.8%	3.6%	0.6%	4.9%	1.9%	<i>-0.4%</i>				
iPod:																
Units	54,132,000	20,970,000	10,885,000	9,406,000	9,051,000	50,312,000	19,446,000	9,017,000	7,535,000	6,622,000	42,620,000	<i>11,500,000</i>				
Growth %		-7.7%	-1.2%	-7.9%	-11.1%	-7.1%	-7.3%	-17.2%	-19.9%	-26.8%	-15.3%	<i>-40.9%</i>				
Revenue	\$8,091,000	\$3,391,000	\$1,861,000	\$1,545,000	\$1,477,000	\$8,274,000	\$3,425,000	\$1,600,000	\$1,325,000	\$1,103,000	\$7,453,000	<i>\$1,874,500</i>				
Growth %		0.6%	11.8%	3.6%	-5.5%	2.3%	1.0%	-14.0%	-14.2%	-25.3%	-9.9%	<i>-45.3%</i>				
Avg Price	\$149	\$162	\$171	\$164	\$163	\$164	\$176	\$177	\$176	\$167	\$175	<i>\$163</i>				
Growth %		9.0%	13.1%	12.5%	6.3%	10.0%	8.9%	3.8%	7.1%	2.1%	6.3%	<i>-7.5%</i>				
iPhone:																
Units	20,731,000	8,737,000	8,752,000	8,398,000	14,102,000	39,989,000	16,235,000	18,647,000	20,338,000	17,073,000	72,293,000	<i>28,500,000</i>				
Growth %		100.3%	130.7%	61.3%	91.4%	92.9%	85.8%	113.1%	142.2%	21.1%	80.8%	<i>75.5%</i>				
Revenue	\$13,033,000	\$5,578,000	\$5,445,000	\$5,334,000	\$8,822,000	\$25,179,000	\$10,468,000	\$12,298,000	\$13,311,000	\$10,980,000	\$47,057,000	<i>\$17,670,000</i>				
Growth %		89.7%	124.4%	74.3%	91.5%	93.2%	87.7%	125.9%	149.6%	24.5%	86.9%	<i>68.8%</i>				
Avg Price	\$629	\$638	\$622	\$635	\$626	\$630	\$645	\$660	\$654	\$643	\$651	<i>\$620</i>				
Growth %		-5.3%	-2.8%	8.1%	0.1%	0.2%	1.0%	6.0%	3.0%	2.8%	3.4%	<i>-3.8%</i>				
iPad:																
Units	0	0	0	3,270,000	4,188,000	7,458,000	7,331,000	4,694,000	9,246,000	11,123,000	32,394,000	<i>15,500,000</i>				
Growth %																
Revenue	\$0	\$0	\$0	\$2,166,000	\$2,792,000	\$4,958,000	\$4,608,000	\$2,836,000	\$6,046,000	\$6,868,000	\$20,358,000	<i>\$9,377,500</i>				
Growth %																
Avg Price	\$0	\$0	\$0	\$662	\$667	\$665	\$629	\$604	\$654	\$617	\$628	<i>\$605</i>				
Growth %																
Other:																
Other Music	\$4,036,000	\$1,164,000	\$1,327,000	\$1,214,000	\$1,243,000	\$4,948,000	\$1,431,000	\$1,634,000	\$1,571,000	\$1,678,000	\$6,314,000	<i>\$2,100,000</i>				
Other Hardware	\$1,475,000	\$469,000	\$472,000	\$396,000	\$477,000	\$1,814,000	\$593,000	\$580,000	\$517,000	\$640,000	\$2,330,000	<i>\$825,000</i>				
Software, Service	\$2,412,000	\$631,000	\$634,000	\$646,000	\$662,000	\$2,573,000	\$786,000	\$743,000	\$696,000	\$729,000	\$2,954,000	<i>\$950,000</i>				

*Note: Italics indicate TRG estimates. Amounts above per company reports. Amounts in thousands (000).

\$26,741,000 \$24,667,000 \$28,571,000 \$28,270,000

\$39,871,667

Apple (AAPL) Profitability Scorecard

18-Oct-11

	Q1 2010 25-Dec-10	Q2 2010 26-Mar-11	Q3 2010 25-Jun-11	Q4 2010 24-Sep-11	Q1 2011	Q2 2011	Q3 2011	Q4 2011
Gross Profit Margin:	38.51%	41.42%	41.73%	40.25%				
Bps Change	Lower 237 Bps	Lower 25 Bps	Higher 265 Bps	Higher 332 Bps				
Comments:	+250 Bps vs. guidance new products include <i>iPhone IV, iPad</i> above via cost structure diff vs. guidance: lower commodity costs sales leverage lower other mfg costs above = freight, warranty above = phone support	+290 Bps vs. guidance new products include <i>iPhone IV, iPad</i> above via cost structure lower other mfg costs diff vs. guidance: favorable mix (<i>iPhone</i>) lower commodity costs lower other mfg costs	+370 Bps vs. guidance favorable mix (<i>iPhone</i>) weaker U.S. Dollar lower commodity costs lower other mfg costs diff vs. guidance: favorable mix (<i>iPhone</i>) lower commodity costs lower other mfg costs above incl. 1-time items sales leverage	+225 Bps vs. guidance diff vs. guidance:				
Research & Devl Exp:	-2.15%	-2.36%	-2.20%	-2.28%				
Bps Change	Lower 39 Bps	Lower 80 Bps	Lower 76 Bps	Lower 15 Bps				
Comments:	higher \$ via headcount	higher \$ via headcount	higher \$ via headcount					
SG&A Exp:	-7.09%	-7.15%	-6.70%	-7.16%				
Bps Change	Lower 112 Bps	Lower 189 Bps	Lower 246 Bps	Lower 56 Bps				
Comments:	higher \$ via: expand retail segment higher headcount higher marketing higher vary costs higher stock comp	higher \$ via: expand retail segment higher headcount higher marketing higher vary costs	higher \$ via: expand retail segment higher headcount higher marketing higher vary costs					

*Italics indicate TRG estimate. Amounts in thousands (000).

Apple (AAPL) Quarterly GPM%

18-Oct-11

Total Company	Q1	Q2	Q3	Q4
FY 2005	27.20%	29.75%	30.32%	29.19%
FY 2006	31.21%	35.02%	36.55%	30.96%
FY 2007	32.64%	32.67%	36.28%	38.57%
FY 2008	37.94%	39.93%	40.92%	41.82%
FY 2009	40.88%	41.67%	39.08%	36.93%
FY 2010	38.51%	41.42%	41.73%	40.25%
FY 2011				
Simple Average FY 2005 - FY 2009:	33.97%	35.81%	36.63%	35.49%
Bps Change vs. Prior Fiscal Qtr:	(152)	183	82	(114)
Simple Average FY 2005 - FY 2010:	34.73%	36.74%	37.48%	36.29%
Bps Change vs. Prior Fiscal Qtr:	(156)	201	74	(119)

Apple (AAPL) Segment Operating Profitability

18-Oct-11

	FY 2006	FY 2007	FY 2008	Q1 2009	Q2 2009	Q3 2009	Q4 2009	FY 2009	Q1 2010	Q2 2010	Q3 2010	Q4 2010	FY 2010
Americas:													
Revenue	\$11,907,000	\$16,552,000	\$18,981,000	\$6,092,000	\$4,993,000	\$6,227,000	\$7,186,000	\$24,498,000	\$9,218,000	\$9,323,000	\$10,126,000	\$9,648,000	\$38,315,000
Revenue Growth %		39.0%	14.7%	14.9%	25.8%	39.2%	37.2%	29.1%	51.3%	86.7%	62.6%	34.3%	56.4%
Operating Income	\$2,998,000	\$4,901,000	\$6,658,000	\$1,811,000	\$1,674,000	\$1,997,000	\$2,108,000	\$7,590,000	\$2,899,000	\$3,755,000	\$3,596,000	\$3,288,000	\$13,538,000
Non-Recurring Items	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Adjusted Operating Inc	\$2,998,000	\$4,901,000	\$6,658,000	\$1,811,000	\$1,674,000	\$1,997,000	\$2,108,000	\$7,590,000	\$2,899,000	\$3,755,000	\$3,596,000	\$3,288,000	\$13,538,000
Operating Margin %	25.18%	29.61%	35.08%	29.73%	33.53%	32.07%	29.33%	30.98%	31.45%	40.28%	35.51%	34.08%	35.33%
Bps Change		443	547	(359)	(191)	(392)	(647)	(410)	172	675	344	474	435
Europe:													
Revenue	\$5,469,000	\$9,233,000	\$11,810,000	\$5,024,000	\$4,050,000	\$4,160,000	\$5,458,000	\$18,692,000	\$7,256,000	\$6,027,000	\$7,098,000	\$7,397,000	\$27,778,000
Revenue Growth %		68.8%	27.9%	40.1%	63.0%	66.1%	68.7%	58.3%	44.4%	48.8%	70.6%	35.5%	48.6%
Operating Income	\$1,350,000	\$3,022,000	\$4,296,000	\$2,165,000	\$1,661,000	\$1,631,000	\$2,067,000	\$7,524,000	\$2,756,000	\$2,551,000	\$3,107,000	\$3,114,000	\$11,528,000
Non-Recurring Items	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Adjusted Operating Inc	\$1,350,000	\$3,022,000	\$4,296,000	\$2,165,000	\$1,661,000	\$1,631,000	\$2,067,000	\$7,524,000	\$2,756,000	\$2,551,000	\$3,107,000	\$3,114,000	\$11,528,000
Operating Margin %	24.68%	32.73%	36.38%	43.09%	41.01%	39.21%	37.87%	40.25%	37.98%	42.33%	43.77%	42.10%	41.50%
Bps Change		805	365	895	797	224	(309)	388	(511)	131	457	423	125
Japan:													
Revenue	\$1,084,000	\$1,728,000	\$2,279,000	\$783,000	\$887,000	\$910,000	\$1,401,000	\$3,981,000	\$1,433,000	\$1,383,000	\$1,510,000	\$1,111,000	\$5,437,000
Revenue Growth %		59.4%	31.9%	57.2%	51.1%	62.5%	121.0%	74.7%	83.0%	55.9%	65.9%	-20.7%	36.6%
Operating Income	\$233,000	\$549,000	\$961,000	\$354,000	\$441,000	\$390,000	\$661,000	\$1,846,000	\$572,000	\$689,000	\$735,000	\$485,000	\$2,481,000
Non-Recurring Items	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Adjusted Operating Inc	\$233,000	\$549,000	\$961,000	\$354,000	\$441,000	\$390,000	\$661,000	\$1,846,000	\$572,000	\$689,000	\$735,000	\$485,000	\$2,481,000
Operating Margin %	21.49%	31.77%	42.17%	45.21%	49.72%	42.86%	47.18%	46.37%	39.92%	49.82%	48.68%	43.65%	45.63%
Bps Change		1,028	1,040	1,710	798	(589)	(61)	420	(529)	10	582	(353)	(74)
Retail:													
Revenue	\$4,362,000	\$7,292,000	\$6,656,000	\$1,971,000	\$1,683,000	\$2,578,000	\$3,566,000	\$9,798,000	\$3,847,000	\$3,191,000	\$3,505,000	\$3,584,000	\$14,127,000
Revenue Growth %		67.2%	-8.7%	12.9%	22.2%	72.8%	74.7%	47.2%	95.2%	89.6%	36.0%	0.5%	44.2%
Operating Income	\$876,000	\$1,661,000	\$1,677,000	\$481,000	\$373,000	\$593,000	\$917,000	\$2,364,000	\$1,030,000	\$807,000	\$828,000	\$679,000	\$3,344,000
Non-Recurring Items	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Adjusted Operating Inc	\$876,000	\$1,661,000	\$1,677,000	\$481,000	\$373,000	\$593,000	\$917,000	\$2,364,000	\$1,030,000	\$807,000	\$828,000	\$679,000	\$3,344,000
Operating Margin %	20.08%	22.78%	25.20%	24.40%	22.16%	23.00%	25.72%	24.13%	26.77%	25.29%	23.62%	18.95%	23.67%
Bps Change		270	242	98	(86)	(294)	(192)	(107)	237	313	62	(677)	(46)
Asia-Pacific/Other:													
Revenue	\$1,756,000	\$2,686,000	\$3,179,000	\$1,813,000	\$1,886,000	\$1,825,000	\$2,732,000	\$8,256,000	\$4,987,000	\$4,743,000	\$6,332,000	\$6,530,000	\$22,592,000
Revenue Growth %		53.0%	18.4%	141.7%	183.6%	159.6%	157.5%	159.7%	175.1%	151.5%	247.0%	139.0%	173.6%
Operating Income	\$389,000	\$748,000	\$1,100,000	\$820,000	\$892,000	\$841,000	\$1,094,000	\$3,647,000	\$2,042,000	\$2,045,000	\$2,782,000	\$2,718,000	\$9,587,000
Non-Recurring Items	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Adjusted Operating Inc	\$389,000	\$748,000	\$1,100,000	\$820,000	\$892,000	\$841,000	\$1,094,000	\$3,647,000	\$2,042,000	\$2,045,000	\$2,782,000	\$2,718,000	\$9,587,000
Operating Margin %	22.15%	27.85%	34.60%	45.23%	47.30%	46.08%	40.04%	44.17%	40.95%	43.12%	43.94%	41.62%	42.44%
Bps Change		570	675	1,483	1,542	1,265	(1)	957	(428)	(418)	(215)	158	(174)
Total Company:													
Revenue	\$24,578,000	\$37,491,000	\$42,905,000	\$15,683,000	\$13,499,000	\$15,700,000	\$20,343,000	\$65,225,000	\$26,741,000	\$24,667,000	\$28,571,000	\$28,270,000	\$108,249,000
Revenue Growth %		52.5%	14.4%	32.0%	48.6%	61.3%	66.7%	52.0%	70.5%	82.7%	82.0%	39.0%	66.0%
Operating Income	\$5,846,000	\$10,881,000	\$14,692,000	\$5,631,000	\$5,041,000	\$5,452,000	\$6,847,000	\$22,971,000	\$9,299,000	\$9,847,000	\$11,048,000	\$10,284,000	\$40,478,000
Other Corporate Exp	(\$1,197,000)	(\$2,038,000)	(\$2,242,000)	(\$701,000)	(\$831,000)	(\$999,000)	(\$1,176,000)	(\$3,707,000)	(\$1,173,000)	(\$1,686,000)	(\$1,385,000)	(\$1,276,000)	(\$5,520,000)
Stock-Based Comp	(\$242,000)	(\$516,000)	(\$710,000)	(\$205,000)	(\$231,000)	(\$219,000)	(\$224,000)	(\$879,000)	(\$299,000)	(\$287,000)	(\$284,000)	(\$298,000)	(\$1,168,000)
Non-Recurring Items	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Adjusted Operating Inc	\$4,407,000	\$8,327,000	\$11,740,000	\$4,725,000	\$3,979,000	\$4,234,000	\$5,447,000	\$18,385,000	\$7,827,000	\$7,874,000	\$9,379,000	\$8,710,000	\$33,790,000
Operating Margin %	17.93%	22.21%	27.36%	30.13%	29.48%	26.97%	26.78%	28.19%	29.27%	31.92%	32.83%	30.81%	31.22%
Bps Change		428	515	403	390	(7)	(340)	82	(86)	244	586	403	303

*Note: Italics indicate TRG estimates. Amounts above per company reports. Amounts in thousands (000).

Apple (AAPL) Balance Sheet/Other Disclosures

18-Oct-11

	Q1 2009 26-Dec-09	Q2 2009 27-Mar-10	Q3 2009 26-Jun-10	Q4 2009 25-Sep-10	Q1 2010 25-Dec-10	Q2 2010 26-Mar-11	Q3 2010 25-Jun-11	Q4 2010 24-Sep-11
Income Statement:								
Stock-Based Compensation	(\$205,000)	(\$231,000)	(\$219,000)	(\$224,000)	(\$299,000)	(\$287,000)	(\$284,000)	(\$298,000)
Growth %					45.9%	24.2%	29.7%	33.0%
Product Warranty Accruals	(\$142,000)	(\$141,000)	(\$157,000)	(\$457,000)	(\$396,000)	(\$448,000)	(\$375,000)	(\$407,000)
Growth %	-13.9%	95.8%	141.5%	231.2%	178.9%	217.7%	138.9%	-10.9%
Product Warranty Actual Cost	(\$135,000)	(\$137,000)	(\$155,000)	(\$286,000)	(\$253,000)	(\$249,000)	(\$288,000)	(\$357,000)
Growth %	-5.6%	7.0%	25.0%	105.8%	87.4%	81.8%	85.8%	24.8%
Tax Rate %	-29.00%	-23.70%	-24.21%	-21.11% (-24.42% Yr)	-24.60%	-24.22%	-23.48%	-24.66% (-24.22% Yr)
Balance Sheet:								
Inventory	\$576,000	\$638,000	\$942,000	\$1,051,000	\$885,000	\$930,000	\$889,000	\$776,000
Growth %	45.5%	104.5%	147.9%	131.0%	53.6%	45.8%	-5.6%	-26.2%
Accounts Receivable	\$3,090,000	\$2,886,000	\$3,447,000	\$5,510,000	\$6,027,000	\$5,798,000	\$6,102,000	\$5,369,000
Growth %				63.9%	95.0%	100.9%	77.0%	-2.6%
Vendor Non-Trade Receivables	\$1,791,000	\$1,743,000	\$2,952,000	\$4,414,000	\$4,847,000	\$5,297,000	\$5,369,000	\$6,348,000
Growth %				160.3%	170.6%	203.9%	81.9%	43.8%
Cell Carrier % Trade Receivables				64%	54%	64%	60%	52%
Accrued Warranty & Related Costs	\$584,000	\$588,000	\$590,000	\$761,000	\$904,000	\$1,103,000	\$1,190,000	\$1,240,000
Growth %				31.9%	54.8%	87.6%	101.7%	62.9%
Inventory Component Prepay Out	\$1,044,000	\$971,000	\$991,000	\$956,000	\$1,600,000	\$2,400,000	\$2,400,000	\$2,400,000
Growth %				-17.1%	53.3%	147.2%	142.2%	151.0%
OBS Mfg & Component Purch Commit	\$3,700,000	\$4,900,000	\$6,200,000	\$8,200,000	\$7,900,000	\$11,000,000	\$11,000,000	\$13,900,000
Growth %					113.5%	124.5%	77.4%	69.5%

**Italics indicate TRG estimate. Amounts in thousands (000).*

Apple (AAPL) Guidance Worksheet - FY 2011 & FY 2010

18-Oct-11

	Q1 2011 Guidance Date: 10.18.2011	Q1 2011 Actual	Q2 2011 Guidance Date:	Q2 2011 Actual	Q3 2011 Guidance Date:	Q3 2011 Actual	Q4 2011 Guidance Date:	Q4 2011 Actual
Revenue:	\$37.0B							
Net Revenue Growth %	+38.4%							
GPM%:	40.00%							
Bps Change	Higher 149 Bps includes \$60M Stock Comp							
Oper Expense Dollars:	\$3.250B							
Growth %	+31.5% includes \$350M Stock Comp							
Other Income/(Expense):	\$85M							
Tax Rate %:	-24.25%							
EPS:	\$9.30							
Growth %	+44.6%							

	Q1 2010 Guidance Date: 10.18.2010	Q1 2010 Actual	Q2 2010 Guidance Date: 01.18.2011	Q2 2010 Actual	Q3 2010 Guidance Date: 04.20.2011	Q3 2010 Actual	Q4 2010 Guidance Date: 07.19.2011	Q4 2010 Actual
Revenue:	\$23.0B	\$26.741	\$22.0B	\$24.667	\$23.0B	\$28.571	\$25.0B	\$28.270
Net Revenue Growth %	+46.7%	70.5%	+63.0%	82.7%	+46.5%	82.0%	+22.9%	39.0%
GPM%:	36.00%	38.51%	38.50%	41.42%	38.00%	41.73%	38.00%	40.25%
Bps Change	Lower 488 Bps includes \$52M Stock Comp	Lower 237 Bps (\$52M)	Lower 317 Bps includes \$50M Stock Comp	Lower 25 Bps (\$51M)	Lower 108 Bps includes \$55M Stock Comp	Higher 265 Bps (\$52M)	Higher 107 Bps includes \$55M Stock Comp	Higher 332 Bps (\$45M)
Oper Expense Dollars:	\$2.325B	\$2.471	\$2.35B	\$2.344	\$2.50B	\$2.543	\$2.725B	(\$2.670)
Growth %	+37.9% includes \$250M Stock Comp	46.6% (\$247M)	+42.8% includes \$250M Stock Comp	42.4% (\$236M)	+31.4% includes \$255M Stock Comp	33.7% (\$232M)	+32.0% includes \$245M Stock Comp	29.3% (\$253M)
Other Income/(Expense):	\$65M	\$136M	\$50M	\$26M	\$70M	\$172M	\$50M	\$81M
Tax Rate %:	-25.50%	-24.60%	-25.50%	-24.22%	-25.00%	-23.48%	-24.00%	-24.66%
EPS:	\$4.80	\$6.43	\$4.90	\$6.40	\$5.03	\$7.79	\$5.50	\$7.05
Growth %	+30.8%	75.2%	+47.1%	92.2%	+43.3%	121.9%	+18.5%	51.9%

Apple (AAPL) Guidance Worksheet - FY 2009 & FY 2008 & FY 2007

18-Oct-11

	Q1 2009 Guidance Date: 10.19.2009	Q1 2009 Actual	Q2 2009 Guidance Date: 01.25.2010	Q2 2009 Actual	Q3 2009 Guidance Date: 04.20.2010	Q3 2009 Actual	Q4 2009 Guidance Date: 07.20.2010	Q4 2009 Actual
Revenue:	\$11.3B to \$11.6B		\$11.0B to \$11.4B	\$13.499	\$13.0B to \$13.4B	\$15.700	\$18.0B	\$20.343
Net Revenue Growth %	above pre-EITF 09-03 adopt		+21.1% to +25.5%	48.6%	+33.6% to +37.7%	61.3%	+47.5%	66.7%
GPM%:	34.00%	40.88%	39.00%	41.67%	36.00%	39.08%	35.00%	36.93%
Bps Change			Lower 93 Bps	Higher 174 Bps	Lower 492 Bps	Lower 184 Bps	Lower 682 Bps	Lower 489 Bps
	includes \$33M Stock Comp	(\$37M)	includes \$40M Stock Comp	(\$37M)	includes \$36M Stock Comp	(\$38M)	includes \$40M Stock Comp	(\$39M)
Oper Expense Dollars:	\$1.64B	\$1.686	\$1.64B	\$1.646	\$1.83B	\$1.902	\$2.00B	\$2.065
Growth %			+25.4%	26.2%	+35.5%	40.8%	+40.7%	45.3%
	includes \$178M Stock Comp	(\$168M)	includes \$190M Stock Comp	(\$194M)	includes \$185M Stock Comp	(\$181M)	includes \$195M Stock Comp	(\$185M)
Other Income/(Expense):	\$30M	\$33M	\$30M	\$50M	\$45M	\$58M	\$50M	\$14M
Tax Rate %:	-30.00%	-29.00%	-27.00%	-23.70%	-27.00%	-24.21%	-26.50%	-21.11%
EPS:	\$1.70 to \$1.78	\$3.67	\$2.06 to \$2.18	\$3.33	\$2.28 to \$2.39	\$3.51	\$3.44	\$4.64
Growth %	above pre-EITF 09-03 adopt		+15.1% to +21.8%	86.0%	+13.4% to +18.9%	74.6%	+24.2%	67.5%

	Q1 2008 Guidance	Q1 2008 Actual	Q2 2008 Guidance	Q2 2008 Actual	Q3 2008 Guidance	Q3 2008 Actual	Q4 2008 Guidance	Q4 2008 Actual
Guidance Date:	21-Oct-08		21-Jan-09		22-Apr-09		21-Jul-09	
Revenue:	\$9.0B to \$10.0B	\$10.170	\$7.6B to \$8.0B	\$8.160	\$7.7B to \$7.9B	\$8.340	\$8.7B to \$8.9B	\$9.870
EPS:	\$1.06 to \$1.35	\$1.78	\$0.90 to \$1.00	\$1.33	\$0.95 to \$1.00	\$1.35	\$1.18 to \$1.23	\$1.82

	Q1 2007 Guidance	Q1 2007 Actual	Q2 2007 Guidance	Q2 2007 Actual	Q3 2007 Guidance	Q3 2007 Actual	Q4 2007 Guidance	Q4 2007 Actual
Guidance Date:	22-Oct-07		22-Jan-08		23-Apr-08		07.21.2008	
Revenue:	\$9.2B	\$9.600	\$6.8B	\$7.510	\$7.2B	\$7.460	\$7.8B	\$7.900
Net Revenue Growth %								
EPS:	\$1.42	\$1.76	\$0.94	\$1.16	\$1.00	\$1.19	\$1.00	\$1.26