

APPLE, INC.

Software Ecosystem Stands Out With the Faster iPad Line

While many will focus on the features of the new iPad vs. expectations, we believe that Apple's software ecosystem is the key driver of sales of iOS devices. On this front, Apple did not disappoint. Like the iPhone in smartphones, the iPad is the most usable tablet in terms of software, apps and access to the cloud. We believe consumers understand this value proposition, which helped propel iPhone 4S to record levels last quarter. As a result, we believe that today's announcement continues this trend – as Apple's value proposition could bring upside to iPad ASPs and unit sales throughout the year.

To that end, Apple announced the introduction of the new iOS 5.1 & iTunes 10.6, which are now available as free upgrades, along with improved iPad-centric versions of iPhoto, iMovie, GarageBand and iWork. We believe these particular apps help move iPad users away from PCs & facilitate the use of the iPad for more computing related tasks.

The new iPad, will ship on March 16 in the US and 11 other major markets. The iPad will also ship on a wider basis by the end of March (pre-orders start on 3/7). The product will be available in black and white, featuring a higher resolution "Retina" display, the new faster A5X chip with quad-core graphics, and a 5 megapixel camera that can shoot HD video. The new iPad is Apple's first 4G LTE enabled device, Apple will also ship WiFi only models. The 4G enabled models can be used on networks from either Verizon or AT&T in the US. Even with 4G-LTE capability the new iPad has the same 10 hour battery life as the iPad 2, which is an important engineering feat – and likely something that will be tough for competitors to replicate.

Our price target for Apple is \$710 based on 12.5x our FY14 EPS estimate of \$56.70.

AAPL: Quarterly and Annual EPS (USD)

FY Sep	2011		2012		2013			Change y/y	
	Actual	Old	New	Cons	Old	New	Cons	2012	2013
Q1	6.43A	13.87A	13.87A	13.87A	14.30E	14.30E	13.70E	116%	3%
Q2	6.40A	9.48E	9.48E	9.44E	10.91E	10.91E	10.74E	48%	15%
Q3	7.79A	9.41E	9.41E	9.50E	10.98E	10.98E	11.09E	21%	17%
Q4	7.05A	11.23E	11.23E	10.07E	13.81E	13.81E	11.96E	59%	23%
Year	27.68A	43.98E	43.98E	42.75E	50.00E	50.00E	47.52E	59%	14%
P/E	19.2		12.1			10.6			

Source: Barclays Capital
Consensus numbers are from Thomson Reuters

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Investors should consider this report as only a single factor in making their investment decision.

PLEASE SEE ANALYST(S) CERTIFICATION(S) AND IMPORTANT DISCLOSURES BEGINNING ON PAGE 7.

Stock Rating	1-OVERWEIGHT Unchanged
Sector View	2-NEUTRAL Unchanged
Price Target	USD 710.00 Unchanged

Price (07-Mar-2012)	USD 530.69
Potential Upside/Downside	+34%
Tickers	AAPL

Market Cap (USD mn)	494399
Shares Outstanding (mn)	932.37
Free Float (%)	99.88
52 Wk Avg Daily Volume (mn)	16.8
Dividend Yield (%)	N/A
Return on Equity TTM (%)	45.58
Current BVPS (USD)	96.60

Source: FactSet Fundamentals

Price Performance	Exchange-Nasdaq
52 Week range	USD 548.21-310.50



[Link to Barclays Capital Live for interactive charting](#)

U.S. IT Hardware

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COMPANY SNAPSHOT

Apple Inc.

IT Hardware

Income statement (\$mn)	2011A	2012E	2013E	2014E	CAGR
Revenue	108,249	160,183	188,800	220,379	26.7%
EBITDA	35,604	58,806	69,251	80,670	31.3%
EBIT	33,790	55,101	63,149	72,402	28.9%
Pre-tax income	34,205	55,718	64,013	73,516	29.1%
Net income	25,922	41,649	48,010	55,505	28.9%
Reported EPS (\$)	\$27.68	\$43.98	\$50.00	\$56.70	27.0%
Diluted shares (m)	937	947	960	979	1.5%
Dividend per share (\$)	-	-	-	-	NA

Margin and return data (%)	Average				
EBITDA margin	32.9	36.7	36.7	36.6	35.7
EBIT margin	31.2	34.4	33.4	32.9	33.0
Pre-tax margin	31.6	34.8	33.9	33.4	33.4
Net margin	23.9	26.0	25.4	25.2	25.1
ROIC	47.0	43.0	45.1	47.0	45.5
ROA	27.1	27.6	24.3	24.7	25.9
ROE	41.7	44.6	43.8	51.4	45.4

Balance sheet and cash flow (\$mn)	CAGR				
Tangible fixed assets	63,395	116,580	161,689	223,774	52.3%
Intangible fixed assets	2,065	2,065	2,065	2,065	0.0%
Cash and equivalents	9,815	12,814	15,512	17,490	21.2%
Total assets	116,371	184,907	210,227	238,393	27.0%
Short and long-term debt	-	-	-	-	NA
Other long-term liabilities	23,572	34,881	41,113	47,989	26.7%
Total liabilities	39,756	58,830	69,340	80,937	26.7%
Net debt/(funds)	(81,570)	(114,839)	(161,403)	(216,358)	NA
Shareholders' equity	76,615	110,245	108,804	107,061	11.8%
Change in working capital	5,757	4,066	4,599	4,819	-5.8%
Operating cash flow	37,529	54,564	64,955	75,935	26.5%
Capital expenditure	(4,260)	(8,000)	(10,000)	(12,500)	NA
Free cash flow	33,269	46,564	54,955	63,435	24.0%

Valuation and leverage metrics	Average				
P/E (x)	19.2	12.1	10.6	9.4	12.8
EV/EBITDA (x)	13.7	8.3	7.1	6.2	8.8
FCF yield (%)	6.7	9.3	10.8	12.2	9.7
Price/sales (x)	4.6	3.1	2.7	2.4	3.2
Price/BV (x)	6.5	4.6	4.7	4.9	5.1
Dividend yield (%)	0.0	0.0	0.0	0.0	0.0
Total debt/capital (%)	0.0	0.0	0.0	0.0	0.0

Selected operating metrics (units in 000)	CAGR				
Desktops	4,669	5,171	5,152	5,069	2.8%
Notebooks	12,066	14,805	18,264	21,955	22.1%
Total Macs	16,735	19,976	23,416	27,024	17.3%
iPods	42,620	33,029	24,697	18,737	-24.0%
iPhones	72,293	138,259	175,313	219,440	44.8%
iPads	32,394	48,905	63,505	79,000	34.6%

Source: Company data, Barclays Capital

Stock Rating	1-OVERWEIGHT
Sector View	2-NEUTRAL
Price (07-Mar-2012)	\$530.69
Price Target	\$710
Ticker	AAPL

Investment case

We believe Apple's valuation is attractive & that shares can continue to benefit from strong iPad & iPhone demand, Mac share gains, international expansion & new innovations. We believe Apple deserves a higher multiple vs. the group given our view that it is the best growth story in IT hardware over the long term.

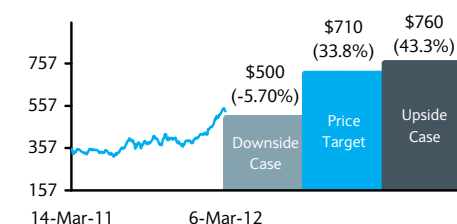
Upside case **\$760**

Apple has solid prospects for high organic growth, with open-ended potential to gain share in phones, tablets & Macs. We view Apple's upside scenario at \$760 based on about 13.5x our FY14 EPS estimate of \$56.70.

Downside case **\$500**

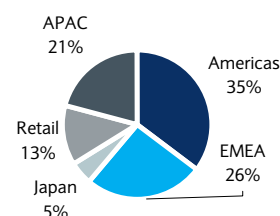
We believe the biggest issues facing the stock include the overall economy, aggressive competition & very high expectations. We view Apple's downside scenario at \$500 based on about 9x our FY14 EPS estimate of \$56.70 (9.5x is Apple's 5-yr trough multiple).

Upside/downside scenarios



Source: FactSet

Geographic Revenue Distribution FY11



Note: FY end Sept.

New iPad Shipping Sooner than Expected, in More Places - Software Ecosystem Is What Really Differentiates the Platform

New iPad Arrives With Cutting Edge Display; Available March 16: Tim Cook led Apple's special event in CA to usher in the new iPad, which will ship on March 16 in the US and in 11 other major markets. The iPad will also ship on a wider basis by the end of March (pre-orders start on 3/7). The product will be available in black and white, featuring a higher resolution "Retina" display, the new faster A5X chip with quad-core graphics, and a 5 megapixel camera that can shoot HD video. The new iPad is Apple's first 4G LTE enabled device, while Apple will also ship WiFi only models. The 4G enabled models can be used on networks from either Verizon or AT&T in the US. Even with 4G-LTE capability the new iPad has the same 10 hour battery life as the iPad 2, which is an important engineering feat – and likely something that will be tough for competitors to replicate. Furthermore, Apple announced that the 16 GB version of the iPad 2 will remain in the product lineup at \$399 (down from \$499) for the WiFi version and \$529 (down from \$629) for the 16GB WiFi + 3G version. Apple touted the new Retina display as the highest resolution display ever to be put on a mobile device, with 3.1 million pixels, or 2048 x 1536 resolution.

The features of the iPad were almost exactly as we had expected. However, the product is missing the iPhone 4S' virtual personal assistant, Siri – and instead offers the ability to take dictation with a microphone. That said, we were pleasantly surprised to see that the new iPad can also be used as a personal hotspot to allow consumers to share the iPad's 4G connection with up to 5 other devices. We believe the 4G options will be quite popular given the much faster download speeds. Also the iPad is shipping sooner than we expected in the US and in more geographies faster than expected. Despite the highly improved display, 4G connectivity and improved processing power, the new iPad's price points are identical to the iPad 2's, starting at \$499 for the 16GB Wi-Fi only model ranging to \$829 for the 64GB WiFi + 4G version (both AT&T and Verizon). With the new iPad shipping in volume to a dozen major markets in mid-march, we believe our estimates of 8.5 million iPads for C1Q could prove conservative.

Figure 1: iPad Unit Model

(units in thousands)	2010	Dec-10	Mar-11	Jun-11	Sep-11	2011	Dec-11	Estimates					
								Mar-12	Jun-12	Sep-12	2012E	2013E	2014E
iPad	7,458	7,331	4,694	9,246	11,123	32,394	15,434	8,489	11,460	13,522	48,905	63,505	79,000
Y/Y Growth				183%	166%	334%	111%	81%	24%	22%	51%	30%	24%
Q/Q Growth		75%	-36%	97%	20%		39%	-45%	35%	18%			

Source: Company Reports and Barclays Capital Estimates

Apple also announced the introduction of the new iOS 5.1 and iTunes 10.6, which are now available as free upgrades, along with improved iPad-centric versions of iPhoto, iMovie, GarageBand and iWork. We believe these particular apps help move iPad users away from PCs and facilitate the use of the iPad for more computing related tasks. Also in line with our expectations, given the limited availability of the previous version, Apple announced an upgrade to the Apple TV media hub device, which features 1080p high definition video for use with iTunes, Netflix, Vimeo, Photos and more. The refreshed Apple TV will be available on March 16 at \$99 (unchanged). The new Apple TV also brings a more streamlined interface and works with iCloud. We still believe the most underrated key feature of Apple TV is its ability to use AirPlay to stream music, videos and even spreadsheets and games from other Apple devices directly to the TV. In short, we believe that the Apple TV makes the iPhone, iPad and Mac more usable.

While today many will focus on features of the new iPad vs. expectations, we believe that Apple's software ecosystem is the key driver of sales of iOS devices. On this front, Apple didn't disappoint. Like the iPhone in smartphones, the iPad is the most usable tablet in terms of software, apps and access to the cloud. We believe consumers understand this value proposition, which helped propel iPhone 4S to record levels last quarter. As a result, we believe that today's announcement continues this trend – as Apple's value proposition could bring upside to ASPs and unit sales throughout the year. The new features of the iPad clearly raise the bar even higher for competitors and the lower priced iPad 2 could keep competitors at bay. Reiterate 1-OW.

Valuation – 12-month Price Target \$710: Our price target for Apple is \$710 based on a market multiple of 12.5x our FY14 estimate of \$56.70. Given Apple's unprecedented growth, we believe that this type of valuation is very conservative - but somewhat realistic given the difficulty to "move the needle" with a company this large - in terms of attracting incremental investor funds to move it materially higher. We believe focusing on FY14 is appropriate given investors are likely to be valuing Apple on prospects for that year 12 months from now. In fact, if Apple were to deploy some of its cash in the form of a dividend, we could argue a much higher multiple. Given its attractive valuation and unprecedented growth, Apple remains our top pick in the IT Hardware sector.

Figure 2: Apple Product Unit Model

(units in thousands)	Historical							Estimates					
	2010	2011	Dec-11	Mar-12	Jun-12	Sep-12	2012E	Dec-12	Mar-13	Jun-13	Sep-13	2013E	2014E
Macintosh Products													
Total desktops	4,627	4,669	1,479	1,183	1,183	1,325	5,171	1,378	1,185	1,245	1,344	5,152	5,069
Total notebooks	9,035	12,066	3,719	3,161	3,635	4,290	14,805	4,590	3,947	4,421	5,305	18,264	21,955
Total Mac Units	13,662	16,735	5,198	4,344	4,819	5,615	19,976	5,968	5,133	5,666	6,649	23,416	27,024
iPad	7,458	32,394	15,434	8,489	11,460	13,522	48,905	17,579	11,427	15,540	18,959	63,505	79,000
iPod	50,312	42,620	15,397	6,621	5,561	5,450	33,029	11,009	5,064	4,355	4,268	24,697	18,737
iPhone	39,989	72,293	37,044	32,969	30,332	37,915	138,259	47,393	40,758	37,090	50,071	175,313	219,440
Unit ASP													
Total desktops	1,340	1,379	1,309	1,294	1,286	1,286	1,294	1,276	1,261	1,251	1,251	1,260	1,225
Total notebooks	1,248	1,272	1,254	1,239	1,231	1,241	1,241	1,231	1,221	1,211	1,221	1,221	1,201
Total Mac ASP	1,279	1,302	1,269	1,254	1,244	1,251	1,255	1,241	1,230	1,219	1,227	1,229	1,205
iPad	643	592	558	538	568	568	558	558	538	553	553	553	533
iPhone	608	627	636	611	601	596	612	591	581	576	571	580	549
iPod	164	175	164	161	159	159	162	153	151	149	149	151	145
% of units													
Total desktops	33.9%	27.9%	28.5%	27.2%	24.6%	23.6%	25.9%	23.1%	23.1%	22.0%	20.2%	22.0%	18.8%
Total notebooks	66.1%	72.1%	71.5%	72.8%	75.4%	76.4%	74.1%	76.9%	76.9%	78.0%	79.8%	78.0%	81.2%
Total Mac Units	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Yr/yr unit % change													
Total desktops	45.4%	0.9%	20.5%	17.3%	2.4%	3.7%	10.7%	-6.8%	0.2%	5.2%	1.4%	-0.4%	-1.6%
Total notebooks	25.3%	33.5%	27.9%	14.9%	30.2%	18.6%	22.7%	23.4%	24.9%	21.6%	23.7%	23.4%	20.2%
Total Mac Units	31.4%	22.5%	25.7%	15.5%	22.1%	14.7%	19.4%	14.8%	18.1%	17.6%	18.4%	17.2%	15.4%
iPad		334.4%	110.5%	80.8%	23.9%	21.6%	51.0%	13.9%	34.6%	35.6%	40.2%	29.9%	24.4%
iPod	-7.1%	-15.3%	-20.8%	-26.6%	-26.2%	-17.7%	-22.5%	-28.5%	-23.5%	-21.7%	-21.7%	-25.2%	-24.1%
iPhone	92.9%	80.8%	128.2%	76.8%	49.1%	122.1%	91.2%	27.9%	23.6%	22.3%	32.1%	26.8%	25.2%
Yr/yr ASP % change													
Total desktops	-1.4%	2.9%	-7.2%	-9.4%	-6.0%	-2.6%	-6.1%	-2.5%	-2.6%	-2.7%	-2.7%	-2.7%	-2.8%
Total notebooks	-5.6%	1.9%	-1.5%	-3.6%	-2.5%	-2.2%	-2.4%	-1.8%	-1.5%	-1.6%	-1.6%	-1.6%	-1.6%
Total Mac Units	-4.0%	1.7%	-3.4%	-5.3%	-3.8%	-2.4%	-3.6%	-2.2%	-1.9%	-2.0%	-2.0%	-2.0%	-2.0%
iPad		-8.0%	-6.9%	-4.7%	-7.2%	-2.0%	-5.7%	0.0%	0.0%	-2.6%	-2.6%	-0.9%	-3.5%
iPod	10.0%	6.3%	-6.8%	-9.2%	-9.5%	-4.4%	-7.4%	-6.7%	-6.2%	-6.3%	-6.3%	-6.5%	-4.0%
iPhone	2.9%	3.1%	1.8%	-2.2%	-5.2%	-4.0%	-2.4%	-7.1%	-4.9%	-4.2%	-4.2%	-5.2%	-5.4%
Sequential Q/Q unit % change													
Total desktops			15.7%	-20.0%	0.0%	12.0%		4.0%	-14.0%	5.0%	8.0%		
Total notebooks			2.8%	-15.0%	15.0%	18.0%		7.0%	-14.0%	12.0%	20.0%		
Total Mac Units			6.2%	-16.4%	10.9%	16.5%		6.3%	-14.0%	10.4%	17.4%		
iPad			38.8%	-45.0%	35.0%	18.0%		30.0%	-35.0%	36.0%	22.0%		
iPod			132.5%	-57.0%	-16.0%	-2.0%		102.0%	-54.0%	-14.0%	-2.0%		
iPhone			117.0%	-11.0%	-8.0%	25.0%		25.0%	-14.0%	-9.0%	35.0%		
Sequential Q/Q ASP % change													
Total desktops			-0.8%	-1.1%	-0.6%	0.0%		-0.8%	-1.2%	-0.8%	0.0%		
Total notebooks			-1.1%	-1.2%	-0.6%	0.8%		-0.8%	-0.8%	-0.8%	0.8%		
Total Mac			-1.0%	-1.2%	-0.8%	0.6%		-0.8%	-0.9%	-0.9%	0.6%		
iPad			-3.7%	-3.6%	5.6%	0.0%		-1.8%	-3.6%	2.8%	0.0%		
iPod			-1.4%	-1.8%	-1.2%	0.0%		-3.8%	-1.3%	-1.3%	0.0%		
iPhone			2.4%	-3.9%	-1.6%	-0.8%		-0.8%	-1.7%	-0.9%	-0.9%		

Source: Company Reports, Barclays Capital Estimates

Figure 3: Apple Income Statement (In millions of \$, except per share data)

	Estimates								
	2010	2011	Dec-11	Mar-12	Jun-12	Sep-12	2012E	2013E	2014E
Net sales	\$65,225	\$108,249	\$46,333	\$35,263	\$35,941	\$42,647	\$160,183	\$188,800	\$220,379
Cost of sales	39,541	64,431	25,630	20,206	20,738	24,735	91,308	109,392	129,142
Gross profit	25,684	43,818	20,703	15,057	15,203	17,912	68,875	79,408	91,237
R&D	1,782	2,429	758	741	791	827	3,117	3,627	4,190
SG&A	5,517	7,599	2,605	2,468	2,642	2,943	10,658	12,633	14,644
Total operating expenses	7,299	10,028	3,363	3,209	3,432	3,770	13,774	16,260	18,834
Operating income	18,385	33,790	17,340	11,848	11,771	14,142	55,101	63,149	72,402
Interest & other income, net	155	415	137	140	165	175	617	864	1,114
Income before taxes	18,540	34,205	17,477	11,988	11,936	14,317	55,718	64,013	73,516
Income tax expense/(benefit)	4,527	8,283	4,413	3,027	3,014	3,615	14,069	16,003	18,012
Net Income/(Loss)	14,013	25,922	13,064	8,961	8,922	10,702	41,649	48,010	55,505
GAAP EPS	\$15.15	\$27.68	\$13.87	\$9.48	\$9.41	\$11.23	\$43.98	\$50.00	\$56.70
Extraordinary items	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Reported EPS	\$15.15	\$27.68	\$13.87	\$9.48	\$9.41	\$11.23	\$43.98	\$50.00	\$56.70
Basic Shares	914.6	928.3	931.0	935.0	938.0	942.0	942.0	957.4	974.4
Diluted shares outstanding	924.7	936.6	941.6	945.6	948.6	952.6	947.1	960.2	979.0
% of total revenue									
Gross margin	39.4%	40.5%	44.7%	42.7%	42.3%	42.0%	43.0%	42.1%	41.4%
R&D	2.7%	2.2%	1.6%	2.1%	2.2%	1.9%	1.9%	1.9%	1.9%
SG&A	8.5%	7.0%	5.6%	7.0%	7.4%	6.9%	6.7%	6.7%	6.6%
Operating profit margin	28.2%	31.2%	37.4%	33.6%	32.8%	33.2%	34.4%	33.4%	32.9%
Interest & other income, net	0.2%	0.4%	0.3%	0.4%	0.5%	0.4%	0.4%	0.5%	0.5%
Pretax operating margin	28.4%	31.6%	37.7%	34.0%	33.2%	33.6%	34.8%	33.9%	33.4%
Net margin	21.5%	23.9%	28.2%	25.4%	24.8%	25.1%	26.0%	25.4%	25.2%
Tax rate	24.4%	24.2%	25.3%	25.3%	25.3%	25.3%	25.3%	25.0%	24.5%
Year/year % change									
Net Sales	52.0%	66.0%	73.3%	43.0%	25.8%	50.9%	48.0%	17.9%	16.7%
Cost of Sales	54.0%	62.9%	55.9%	39.8%	24.6%	46.4%	41.7%	19.8%	18.1%
R&D	33.7%	36.3%	31.8%	27.5%	25.9%	28.3%	28.3%	16.4%	15.5%
SG&A	33.0%	37.7%	37.4%	40.0%	37.9%	45.3%	40.3%	18.5%	15.9%
Total operating expenses	33.1%	37.4%	36.1%	36.9%	35.0%	41.2%	37.4%	18.0%	15.8%
Operating income	56.6%	83.8%	121.5%	50.5%	25.5%	62.4%	63.1%	14.6%	14.7%
Interest & other income, net	-52.5%	167.7%	0.7%	438.5%	-4.1%	116.0%	48.7%	40.0%	28.9%
Income before taxes	53.7%	84.5%	119.5%	51.8%	25.0%	62.9%	62.9%	14.9%	14.8%
Income tax expense/(benefit)	18.2%	83.0%	125.3%	58.2%	34.4%	66.7%	69.9%	13.8%	12.5%
Net income	70.2%	85.0%	117.6%	49.7%	22.1%	61.6%	60.7%	15.3%	15.6%
EPS Before Extraordinary Items (incl. ESO)	66.9%	82.6%	115.7%	48.1%	20.8%	59.3%	58.9%	13.7%	13.4%
Sequential Q/Q % change									
Net sales			63.9%	-23.9%	1.9%	18.7%			
Cost of sales			51.7%	-21.2%	2.6%	19.3%			
Gross profit			81.9%	-27.3%	1.0%	17.8%			
R&D			17.5%	-2.3%	6.8%	4.6%			
SG&A			28.6%	-5.2%	7.0%	11.4%			
Total operating expenses			26.0%	-4.6%	7.0%	9.8%			
Operating income			99.1%	-31.7%	-0.7%	20.1%			
Net Income/(Loss)			97.3%	-31.4%	-0.4%	20.0%			
EPS Before Extraordinary Items (incl. ESO)			96.7%	-31.7%	-0.7%	19.3%			

Source: Company Reports, Barclays Capital Estimates

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Primary Stocks (Ticker, Date, Price)

Apple, Inc. (AAPL, 07-Mar-2012, USD 530.69), 1-Overweight/2-Neutral

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In addition to the stock rating, we provide sector views which rate the outlook for the sector coverage universe as 1-Positive, 2-Neutral or 3-Negative (see definitions below). A rating system using terms such as buy, hold and sell is not the equivalent of our rating system. Investors should carefully read the entire research report including the definitions of all ratings and not infer its contents from ratings alone.

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2-Equal Weight - The stock is expected to perform in line with the unweighted expected total return of the sector coverage universe over a 12-month investment horizon.

3-Underweight - The stock is expected to underperform the unweighted expected total return of the sector coverage universe over a 12-month investment horizon.

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U.S. IT Hardware

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Apple, Inc. (AAPL)

Dell Inc. (DELL)

EMC Corp. (EMC)

Hewlett-Packard (HPQ)

IBM Corp. (IBM)

Ingram Micro Inc. (IM)

Lexmark International (LXK)

NetApp, Inc. (NTAP)

Seagate Technology (STX)

Tech Data Corp. (TECD)

Western Digital Corp. (WDC)

Xerox Co. (XRX)

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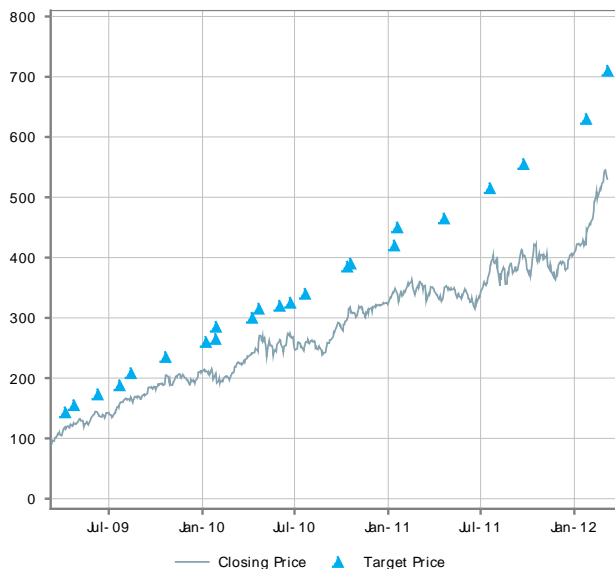
Apple, Inc. (AAPL)
USD 530.69 (07-Mar-2012)

Stock Rating
1-OVERWEIGHT

Sector View
2-NEUTRAL

Rating and Price Target Chart - USD (as of 07-Mar-2012)

Currency=USD



Date	Closing Price	Rating	Price Target
06-Mar-2012	530.26		710.00
24-Jan-2012	420.41		630.00
23-Sep-2011	404.30		555.00
19-Jul-2011	376.85		515.00
20-Apr-2011	342.41		465.00
18-Jan-2011	340.65		450.00
12-Jan-2011	344.42		420.00
18-Oct-2010	318.00		390.00
12-Oct-2010	298.54		385.00
21-Jul-2010	254.24		340.00
22-Jun-2010	273.85		325.00
01-Jun-2010	260.83		320.00
21-Apr-2010	259.22		315.00
08-Apr-2010	239.95		300.00
27-Jan-2010	207.88		285.00
26-Jan-2010	205.94		265.00
07-Jan-2010	210.58		260.00
20-Oct-2009	198.76		235.00
13-Aug-2009	168.42		208.00
22-Jul-2009	156.74		188.00
09-Jun-2009	142.72		173.00
23-Apr-2009	125.40		155.00
06-Apr-2009	118.45		143.00

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Valuation Methodology: Our price target is \$710 based on 12.5x our FY14 EPS estimate of \$56.70.

Risks which May Impede the Achievement of the Price Target: Risks include: 1. the economic environment and consumer spending trends 2. Mac demand momentum 3. execution risk in Apple's ability to continue launching the iPhone successfully in the US and international markets.

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