

Apple



Dear shareholders,

We are excited and honored to share that Apple had a fantastic 2012 fiscal year. We've generated record results, with over \$41 billion in net income and over \$50 billion in operating cash flow. We have continued our commitment to bring the best user experience to our customers by continuously investing in research and development. By making this a major part of our business strategy, we can continuously offer new, innovative hardware, software, peripherals, and services. We have put a lot of energy into our marketing and advertising to ensure the success of our products.

In the past year, we've continued to expand our platform for the discovery and delivery of third-party digital content and application through the iTunes store. We pride ourselves on delivering solutions to help educators teach and students learn, through effective integration of technology into classroom instruction.



- o Units sold: 21,156
- o Revenue: \$13.6 billion
- o Year/year change: 9% units, 17% revenue



- o Units sold: 70,011
- o Revenue: \$3 billion
- o Year/year change: 58% units, 56% revenue



- o Units sold: 84,402
- o Revenue: \$23.5 billion
- o Year/year change: 26% units, 9% revenue



- o Units sold: 37,434
- o Revenue: \$2.9 billion
- o Year/year change: -19% units, -26% revenue

Our Mac Portables, iPhones and iPads all sold more units and gained more revenue than the previous year. This has been a groundbreaking year for the iPhone, with a 58 percent increase in units sold and a 56 percent increase in revenue. The increased memory space in the new iPhones has allowed our consumers to use their iPhones in a multi-functional way, such as listening to music, which can account for the slight decrease in sales for the iPod units. We plan to further this growth in the upcoming 2013 fiscal year with the release of the iPhone 5.

Looking ahead, we will launch our new iPhone 5, which we predict to be our most profitable iPhone yet. In the pre-orders alone, 2 million iPhones were ordered within the first 24 hours.

We are excited for the upcoming 2013 fiscal year. We predict we will continue our record-breaking success by introducing our best iPhone, iPad, Mac and iPod products ever. We will continue to design the best personal computers in the world, lead the digital music revolution through our iTunes store, and reinvent the mobile phone.

Sincerely,

Tim Cook
CEO, Apple

Total Revenue

- \$157 billion
- Percentage of change: 45 percent

Operating income

- \$55 billion
- Percentage of change: 63 percent

Net income

- \$42 billion
- Percentage of change: 61 percent

Diluted earnings per share

- \$44.15
- Percentage of change: 60 percent

