

Apple Inc.
UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS
(In millions, except number of shares which are reflected in thousands and per share amounts)

	Three Months Ended		Twelve Months Ended	
	September 28, 2013	September 29, 2012	September 28, 2013	September 29, 2012
Net sales	\$ 37,472	\$ 35,966	\$ 170,910	\$ 156,508
Cost of sales ⁽¹⁾	23,601	21,565	106,606	87,846
Gross margin	13,871	14,401	64,304	68,662
Operating expenses:				
Research and development ⁽¹⁾	1,168	906	4,475	3,381
Selling, general and administrative ⁽¹⁾	2,673	2,551	10,830	10,040
Total operating expenses	3,841	3,457	15,305	13,421
Operating income	10,030	10,944	48,999	55,241
Other income/(expense), net	113	(51)	1,156	522
Income before provision for income taxes	10,143	10,893	50,155	55,763
Provision for income taxes	2,631	2,670	13,118	14,030
Net income	\$ 7,512	\$ 8,223	\$ 37,037	\$ 41,733
Earnings per share:				
Basic	\$ 8.31	\$ 8.76	\$ 40.03	\$ 44.64
Diluted	\$ 8.26	\$ 8.67	\$ 39.75	\$ 44.15
Shares used in computing earnings per share:				
Basic	904,163	938,343	925,331	934,818
Diluted	909,131	948,186	931,662	945,355
Cash dividends declared per common share	\$ 3.05	\$ 2.65	\$ 11.40	\$ 2.65
⁽¹⁾ Includes share-based compensation expense as follows:				
Cost of sales	\$ 88	\$ 69	\$ 350	\$ 265
Research and development	\$ 209	\$ 168	\$ 917	\$ 668
Selling, general and administrative	\$ 258	\$ 211	\$ 986	\$ 807

Apple Inc.
UNAUDITED CONDENSED CONSOLIDATED BALANCE SHEETS
(In millions, except number of shares which are reflected in thousands)

	<u>September 28, 2013</u>	<u>September 29, 2012</u>
ASSETS:		
Current assets:		
Cash and cash equivalents.....	\$ 14,259	\$ 10,746
Short-term marketable securities.....	26,287	18,383
Accounts receivable, less allowances of \$99 and \$98, respectively.....	13,102	10,930
Inventories.....	1,764	791
Deferred tax assets.....	3,453	2,583
Vendor non-trade receivables.....	7,539	7,762
Other current assets.....	6,882	6,458
Total current assets.....	<u>73,286</u>	<u>57,653</u>
Long-term marketable securities.....	106,215	92,122
Property, plant and equipment, net.....	16,597	15,452
Goodwill.....	1,577	1,135
Acquired intangible assets, net.....	4,179	4,224
Other assets.....	5,146	5,478
Total assets.....	<u>\$ 207,000</u>	<u>\$ 176,064</u>
LIABILITIES AND SHAREHOLDERS' EQUITY:		
Current liabilities:		
Accounts payable.....	\$ 22,367	\$ 21,175
Accrued expenses.....	13,856	11,414
Deferred revenue.....	7,435	5,953
Total current liabilities.....	<u>43,658</u>	<u>38,542</u>
Deferred revenue – non-current.....	2,625	2,648
Long-term debt.....	16,960	0
Other non-current liabilities.....	20,208	16,664
Total liabilities.....	<u>83,451</u>	<u>57,854</u>
Commitments and contingencies		
Shareholders' equity:		
Common stock, no par value; 1,800,000 shares authorized; 899,213 and 939,208 shares issued and outstanding, respectively.....	19,764	16,422
Retained earnings.....	104,256	101,289
Accumulated other comprehensive income/(loss).....	(471)	499
Total shareholders' equity.....	<u>123,549</u>	<u>118,210</u>
Total liabilities and shareholders' equity.....	<u>\$ 207,000</u>	<u>\$ 176,064</u>

Apple Inc.
UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(In millions)

	Twelve Months Ended	
	September 28, 2013	September 29, 2012
Cash and cash equivalents, beginning of the year.....	\$ 10,746	\$ 9,815
Operating activities:		
Net income	37,037	41,733
Adjustments to reconcile net income to cash generated by operating activities:		
Depreciation and amortization.....	6,757	3,277
Share-based compensation expense	2,253	1,740
Deferred income tax expense	1,141	4,405
Changes in operating assets and liabilities:		
Accounts receivable, net	(2,172)	(5,551)
Inventories	(973)	(15)
Vendor non-trade receivables.....	223	(1,414)
Other current and non-current assets	1,080	(3,162)
Accounts payable	2,340	4,467
Deferred revenue.....	1,459	2,824
Other current and non-current liabilities.....	4,521	2,552
Cash generated by operating activities.....	<u>53,666</u>	<u>50,856</u>
Investing activities:		
Purchases of marketable securities.....	(148,489)	(151,232)
Proceeds from maturities of marketable securities	20,317	13,035
Proceeds from sales of marketable securities	104,130	99,770
Payments made in connection with business acquisitions, net	(496)	(350)
Payments for acquisition of property, plant and equipment	(8,165)	(8,295)
Payments for acquisition of intangible assets.....	(911)	(1,107)
Other.....	(160)	(48)
Cash used in investing activities	<u>(33,774)</u>	<u>(48,227)</u>
Financing activities:		
Proceeds from issuance of common stock.....	530	665
Excess tax benefits from equity awards.....	701	1,351
Taxes paid related to net share settlement of equity awards.....	(1,082)	(1,226)
Dividends and dividend equivalent rights paid	(10,564)	(2,488)
Repurchase of common stock.....	(22,860)	0
Proceeds from issuance of long-term debt, net.....	16,896	0
Cash used in financing activities	<u>(16,379)</u>	<u>(1,698)</u>
Increase in cash and cash equivalents.....	<u>3,513</u>	<u>931</u>
Cash and cash equivalents, end of the year.....	<u>\$ 14,259</u>	<u>\$ 10,746</u>
Supplemental cash flow disclosure:		
Cash paid for income taxes, net.....	\$ 9,128	\$ 7,682