

APPLE FIVE-YEAR FINANCIAL HISTORY

Results of Operations	2003	2002	2001	2000	1999
Net sales:					
Domestic	\$3,626	\$3,272	\$2,936	\$4,146	\$3,394
International	2,581	2,470	2,427	3,837	2,740
Total net sales	<u>6,207</u>	<u>5,742</u>	<u>5,363</u>	<u>7,983</u>	<u>6,134</u>
Costs and expenses:					
Cost of sales	4,499	4,139	4,128	5,817	4,438
Research and development (R&D)	471	446	430	380	314
Selling, general and administrative (SG&A)	1,212	1,111	1,138	1,166	996
Operating expenses before special charges	<u>1,683</u>	<u>1,557</u>	<u>1,568</u>	<u>1,546</u>	<u>1,310</u>
Special Charges					
Executive Bonus	--	-2	--	90	--
In-process research and development	--	1	11	--	--
Restructuring costs and other	26	30	--	8	27
Termination of license agreement	--	--	--	--	--
Total Operating Expenses	<u>1,709</u>	<u>1,586</u>	<u>1,579</u>	<u>1,644</u>	<u>1,337</u>
Operating income (loss)	-1	17	-344	522	359
Interest and other income (expense), net	93	70	292	570	317
Income (loss) before provision (benefit) for income taxes	<u>92</u>	<u>87</u>	<u>-52</u>	<u>1,092</u>	<u>676</u>
Provision (benefit) for income taxes	24	22	-15	306	75
Cumulative effect of accounting change, net of income taxes of \$5	1		12		
Net income (loss)	<u>\$69</u>	<u>\$65</u>	<u>(\$25)</u>	<u>\$786</u>	<u>\$601</u>
Diluted earnings (loss) per common and common equivalent share	\$0.19	\$0.18	(\$0.07)	\$2.18	\$1.81
Diluted common and common equivalent shares used in the calculations of earnings (loss) per share (in thousands)	363,466	361,785	345,613	360,324	348,328
Financial Position					
Cash, cash equivalents, and short-term investments	\$4,566	\$4,337	\$4,336	\$4,027	\$3,226
Accounts receivable, net	766	565	466	953	681
Inventories	56	45	11	33	20
Net property, plant, and equipment	669	621	564	419	318
Total assets	6,815	6,298	6,021	6,803	5,161
Current liabilities	2,357	1,658	1,518	1,933	1,549
Long Term Debt*	--	316	317	300	300
Deferred tax liabilities and other non-current liabilities	235	229	266	463	208
Shareholders' equity	\$4,223	\$4,095	\$3,920	\$4,107	\$3,104
Cash dividends declared per common share	--	--	--	--	--
Other Data (Unaudited)					
Regular employees	10,912	10,194	9,612	8,568	6,960
Temporary employees and contractors	2,654	2,030	1,831	3,160	2,776
International net sales as a percentage of total net sales	42%	43%	45%	48%	45%
Gross margin as a percentage of net sales	28%	28%	23%	27%	28%
R&D as a percentage of net sales	8%	8%	8%	5%	5%
SG&A as a percentage of net sales	20%	19%	21%	15%	16%
Operating income (loss) as a percentage of net sales	0%	0%	-6%	7%	6%
Return on net sales	1%	1%	--	10%	10%
Return on average total assets	1%	1%	--	13%	13%
Return on average shareholders' equity	2%	2%	--	22%	25%
Price range per common share	\$23.32-\$12.72	\$26.17-\$13.80	\$27.12-\$13.63	\$75.19-\$25.38	\$40.07-\$14.25

*In FY03 approximately \$300 million of debt was reclassified and is included in Current Liabilities