

APPLE FIVE-YEAR FINANCIAL HISTORY

Results of Operations	2005	2004	2003	2002	2001
Net sales:					
Domestic	\$8,334	\$4,893	\$3,626	\$3,272	\$2,936
International	5,597	3,386	2,581	2,470	2,427
Total net sales	13,931	8,279	6,207	5,742	5,363
Costs and expenses:					
Cost of sales	9,888	6,020	4,499	4,139	4,128
Research and development (R&D)	534	489	471	446	430
Selling, general and administrative (SG&A)	1,859	1,421	1,212	1,111	1,138
Operating expenses before special charges	2,393	1,910	1,683	1,557	1,568
Special Charges					
Executive Bonus	--	--	--	-2	--
In-process research and development	--	--	--	1	11
Restructuring costs and other	--	23	26	30	--
Total Operating Expenses	2,393	1,933	1,709	1,586	1,579
Operating income (loss)	1,650	326	-1	17	-344
Interest and other income (expense), net	165	57	93	70	292
Income (loss) before provision (benefit) for income taxes	1,815	383	92	87	-52
Provision (benefit) for income taxes	480	107	24	22	-15
Cumulative effect of accounting change, net of income taxes of \$5	0	0	1		12
Net income (loss)	<u>\$1,335</u>	<u>\$276</u>	<u>\$69</u>	<u>\$65</u>	<u>(\$25)</u>
Diluted earnings (loss) per common and common equivalent share	\$1.56	\$0.36	\$0.09	\$0.09	(\$0.04)
Diluted common and common equivalent shares used in the calculations of earnings (loss) per share (in thousands)	856,780	774,622	726,932	723,570	691,226
Financial Position					
Cash, cash equivalents, and short-term investments	\$8,261	\$5,464	\$4,566	\$4,337	\$4,336
Accounts receivable, net	895	774	766	565	466
Inventories	165	101	56	45	11
Net property, plant, and equipment	817	707	669	621	564
Total assets	11,551	8,050	6,815	6,298	6,021
Current liabilities	3,484	2,680	2,357	1,658	1,518
Long Term Debt*	--	--	--	316	317
Deferred tax liabilities and other non-current liabilities	601	294	235	229	266
Shareholders' equity	\$7,466	\$5,076	\$4,223	\$4,095	\$3,920
Other Data (Unaudited)					
Regular employees	14,806	11,695	10,912	10,194	9,612
Temporary employees and contractors	2,020	1,731	2,654	2,030	1,831
International net sales as a percentage of total net sales	40%	41%	42%	43%	45%
Gross margin as a percentage of net sales	29%	27%	28%	28%	23%
R&D as a percentage of net sales	4%	6%	8%	8%	8%
SG&A as a percentage of net sales	13%	17%	20%	19%	21%
Operating income (loss) as a percentage of net sales	12%	4%	0%	0%	-6%
Return on net sales	10%	3%	1%	1%	--
Return on average total assets	14%	4%	1%	1%	--
Return on average shareholders' equity	21%	6%	2%	2%	--
Price range per common share	\$18.42-\$3.81	\$19.44-\$9.63	\$11.66-\$6.36	\$13.09-\$6.90	\$13.56-\$6.82

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