Report of Independent Auditors and
Financial Statements with
Supplemental Schedule

Apple 401(k) Plan

December 31, 2017 and 2016

CONTENTS

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Report of Independent Auditors

To the Participants and Plan Administrator
Apple 401(k) Plan

Report on the Financial Statements

We were engaged to audit the accompanying financial statements of Apple 401(k) Plan, which comprise the statement of net assets available for benefits as of December 31, 2017, and the related statement of changes in net assets available for benefits for the year then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in conformity with U.S. generally accepted accounting principles; this includes the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free of material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on conducting the audit in accordance with auditing standards generally accepted in the United States. Because of the matter described in the Basis for Disclaimer of Opinion paragraph, however, we were not able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion.

Basis for Disclaimer of Opinion

As permitted by 29 CFR 2520.103-8 of the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974, the plan administrator instructed us not to perform, and we did not perform, any auditing procedures with respect to the certified investment information described in Note 4, except for comparing such information with the related information included in the financial statements. We have been informed by the plan administrator that the entity that certified the investment information meets the requirements of 29 CFR 2520.103-8. The plan administrator has obtained a certification as of and for the year ended December 31, 2017, stating that the investment information provided to the plan administrator is complete and accurate.

Disclaimer of Opinion on Financial Statements

Because of the significance of the matter described in the Basis for Disclaimer of Opinion paragraph, we have not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion. Accordingly, we do not express an opinion on these financial statements.

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Disclaimer of Opinion on Supplemental Schedule

The accompanying supplemental schedule of assets (held at end of year) as of December 31, 2017, is presented for purposes of additional analysis and is not a required part of the financial statements but is supplementary information required by the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974. Because of the significance of the matter described in the Basis for Disclaimer of Opinion paragraph, we do not express an opinion on the supplemental schedule referred to above.

Disclaimer of Opinion of Other Auditors on 2016 Financial Statements

Other auditors disclaimed an opinion on the 2016 financial statements of Apple 401(k) Plan on July 19, 2017, as permitted by 29 CFR 2520.103-8 of the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974. Their report indicated that (a) because of the significance of the information that they did not audit, they were not able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion and accordingly, they did not express an opinion on the financial statements and (b) the form and content of the information included in the 2016 financial statements other than that derived from the certified investment information were presented in compliance with the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974.

Report on Compliance of Form and Content with Department of Labor's Rules and Regulations

The form and content of the information included in the 2017 financial statements and supplemental schedule, other than that derived from the certified investment information, have been audited by us in accordance with auditing standards generally accepted in the United States and, in our opinion, are presented in compliance with the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974.

Ernst + Young LLP

July 20, 2018

FINANCIAL STATEMENTS

	2017	2016
Assets:		
Investments, at fair value:		
Common / collective trusts	$ 5,653,229,460	$ 3,418,239,898
Mutual funds	1,089,622,437	1,617,295,298
Brokerage accounts	205,351,620	154,830,337
Total investments	6,948,203,517	5,190,365,533
Non interest-bearing cash	176	-
Receivables:		
Employer's contribution receivable	17,340	30,605
Participants' contributions receivable	24,795	8,758
Notes receivable from participants	92,439,018	76,615,672
Other receivables	500,739	56,393
Total receivables	92,981,892	76,711,428
Total assets	7,041,185,585	5,267,076,961
Liabilities:		
Payables:		
Other payables	135,835	-
Total liabilities	135,835	-
Net assets available for benefits	$ 7,041,049,750	$ 5,267,076,961

See accompanying notes.

Additions to net assets attributed to:		
Investment and other income:		
Dividends and interest	$	47,618,734
Net realized and unrealized appreciation in fair value of investments		1,001,509,678
Other income		1,116,485
Total investment and other income		1,050,244,897
Contributions:		
Participants'		662,881,085
Employer's		297,653,546
Total contributions		960,534,631
Total additions		2,010,779,528
Deductions from net assets attributed to:		
Withdrawals and distributions		235,204,351
Adminitrative expenses		1,602,388
Total deductions		236,806,739
Net increase in net assets		1,773,972,789
Net assets available for benefits:		
Beginning of year		5,267,076,961
End of year	$	7,041,049,750

See accompanying notes.

NOTE 1 – THE PLAN AND ITS SIGNIFICANT ACCOUNTING POLICIES

General – The following description of the Apple 401(k) Plan (the Plan) provides only general information. Participants should refer to the plan document for a more complete description of the Plan's provisions.

The Plan is a defined contribution plan that was established on March 31, 1984 by Apple Inc. (the Company) to provide benefits to eligible employees, as defined in the plan document. The Plan is currently designed to be qualified under the applicable requirements of the Internal Revenue Code (the Code) and the provisions of the Employee Retirement Income Security Act of 1974 (ERISA).

Administration – The Company (the Plan Sponsor) has appointed the Benefits Administrative Committee (the Plan Administrator) to be responsible for the operation and administration of the Plan, and the 401(k) Plan Investment Committee (the Committee) to manage the selection and monitoring of the Plan's investment options. The Plan Sponsor has contracted with Great-West Trust Company, LLC (Great-West) to act as the trustee of the Plan, and Great-West Life & Annuity Insurance Company to act as the third-party administrator. All Plan administrative expenses, including trustee fees, are paid by the Plan, except to the extent paid by the Company in its discretion. Fees may be allocated to individual participant accounts.

Estimates – The preparation of financial statements in conformity with accounting principles generally accepted in the United States requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, and changes therein, and disclosure of contingent assets and liabilities. Actual results could differ from those estimates.

Basis of accounting – The financial statements of the Plan are prepared on the accrual method of accounting in accordance with accounting principles generally accepted in the United States.

Forfeitures – Forfeitures may be used to pay Plan administrative expenses or reduce future employer contributions.

Investment valuation and income recognition – The investments are reported at fair value. The Plan's trustee, Great-West, certifies the fair market value of all investments. If available, quoted market prices are used to value investments.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. See Note 2 for discussion of fair value measurements.

Purchases and sales of securities are recorded on a trade date basis. Interest income is recorded on the accrual basis. Dividends are recorded on the ex-dividend date. Net appreciation includes the Plan's gains and losses on investments bought or sold as well as held during the year.

Notes receivable from participants – Notes receivable from participants (notes receivable) are measured at their unpaid principal balance plus any accrued but unpaid interest. Delinquent notes receivables are reclassified as distributions upon the occurrence of a distributable event based upon the terms of the plan document. No allowance for credit losses has been recorded as of December 31, 2017 or 2016.

Payment of benefits – Benefits are recorded when paid.

Income taxes – The Plan has a favorable determination letter dated April 6, 2017 from the Internal Revenue Service (the IRS). Subsequent to this determination by the IRS, the Plan was amended. The Plan Administrator believes that the Plan, as amended, is designed and operated in accordance with, and qualifies under, the applicable requirements of the Code and related state statutes, and that the trust, which forms a part of the Plan, is exempt from federal income and state franchise taxes.

In accordance with guidance on accounting for uncertainty in income taxes Accounting Standards Codification (ASC) 740-10, management evaluated the Plan's tax positions and does not believe the Plan has any uncertain tax positions that require disclosure or adjustment to the financial statements. The Plan is subject to routine audits by taxing jurisdictions; however, there are currently no audits for any tax periods in progress.

Risks and uncertainties – The Plan provides for various investment options in any combination of investment securities offered by the Plan. Investment securities are exposed to various risks, such as interest rate, market fluctuations, and credit risks. Due to the risk associated with certain investment securities, it is at least reasonably possible that changes in market values, interest rates, or other factors in the near term would materially affect participants' account balances and the amounts reported in the statements of net assets available for benefits and the statement of changes in net assets available for benefits.

Subsequent events – The Plan has evaluated subsequent events through July 20, 2018, which is the date the financial statements were available to be issued.

NOTE 2 – FAIR VALUE MEASUREMENTS

The fair value measurements standard establishes a framework for measuring fair value. That framework provides a hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy under the standard are described below:

Level 1 – Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Plan has the ability to access.

Level 2 – Inputs to the valuation methodology include:

- Quoted market prices for similar assets or liabilities in active markets;
- Quoted prices for identical or similar assets or liabilities in inactive markets;
- Inputs other than quoted prices that are observable for the asset or liability;
- Inputs that are derived principally from or corroborated by observable market data by correlation or other means.

If the asset or liability has a specified (contractual) term, the Level 2 input must be observable for substantially the full term of the asset or liability.

Level 3 – Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The asset's or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

Following is a description of the valuation methodologies used for assets measured at fair value. There have been no changes in the methodologies used at December 31, 2017 and 2016.

Mutual funds and money market fund: Valued at the daily closing price as reported by the fund. Mutual and money market funds held by the Plan are open-end funds that are registered with the U.S. Securities and Exchange Commission. These funds are required to publish their daily net asset value (NAV) and to transact at that price and are considered to be actively traded.

Brokerage accounts: Accounts primarily consist of mutual funds and common stocks that are valued on the basis of readily determinable market prices.

Common/collective trusts: Units held in common/collective trusts (CCT) are valued using the NAV practical expedient of the CCT as reported by the issuer of the CCT. The NAV practical expedient is based on the fair value of the underlying assets owned by the CCT, minus its liabilities, and then divided by the number of units outstanding. The CCT may be redeemed at NAV daily without restrictions.

Stable value fund: A stable value fund (also considered a CCT) that is comprised primarily of fully benefit-responsive investment contracts, is valued using the NAV practical expedient, an estimate of fair value. This NAV practical expedient would not be used if it is determined to be probable that the Plan will sell the investment for an amount different from the reported NAV. Participant transactions (purchases and sales) may occur daily at NAV. If the Plan initiates a full redemption of the CCT, the issuer reserves the right to require 12 months notification in order to ensure that securities liquidations will be carried out in an orderly business manner.

The methods described above may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, while the Plan believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

The following tables set forth by level, within the fair value hierarchy, the Plan's assets at fair value as of December 31, 2017 and 2016:

	2017			
	Level 1	**Level 2**	**Level 3**	**Total**
Mutual funds	$ 1,089,622,437	$ -	$ -	$ 1,089,622,437
Brokerage accounts	205,351,620	-	-	205,351,620
Total assets in the fair value hierarchy	$ 1,294,974,057	$ -	$ -	1,294,974,057
Investments measured at NAV practical expedient				5,653,229,460
Investments at fair value				$ 6,948,203,517

	2016			
	Level 1	**Level 2**	**Level 3**	**Total**
Mutual funds	$ 1,617,295,298	$ -	$ -	$ 1,617,295,298
Brokerage accounts	154,830,337	-	-	154,830,337
Total assets in the fair value hierarchy	$ 1,772,125,635	$ -	$ -	1,772,125,635
Investments measured at NAV practical expedient				3,418,239,898
Investments at fair value				$ 5,190,365,533

NOTE 3 – PARTICIPATION AND BENEFITS

Participant contributions – The Plan allows for participating employees to make elective salary deferral contributions on a pre-tax basis or Roth after-tax basis of up to 75% of biweekly pay and sales commissions, up to a maximum amount of $18,000 during 2017. The Plan also allows for eligible participants to make additional elective catch up contributions up to 75% of eligible compensation up to a maximum of $6,000. Participants are allowed to direct the allocation of such contributions and fund balances in their entirety or in 1% multiples to any of the investment funds offered by the Plan. The Plan allows participating employees to make elective salary deferral contributions on an after-tax basis of up to 10% of eligible compensation.

Furthermore, the Plan allows for automatic enrollment into the Plan at a contribution rate of 3% of eligible compensation (such percentage will be increased incrementally by 1% on each annual anniversary of the date of eligible participation to a maximum of 6% of eligible compensation), unless the employee affirmatively elects otherwise. These contributions are invested in a BlackRock Global LifePath fund that most closely matches the date when the participants would reach retirement age.

Participants are also allowed to make rollover contributions of amounts received from other tax-qualified employer-sponsored retirement plans and Individual Retirement Accounts. Such contributions are deposited in the appropriate investment funds in accordance with the participant's direction and the Plan's provisions.

Employer contributions – The Company makes matching contributions to the Plan, as defined in the plan document. The matching rate is based on the participant's length of service determined as of the payroll date for the pay period with respect to which the contribution is made. In 2017, the Company matched as follows: participants with less than two years of service are matched at 50%, two but less than five years at 75%, and five or more years at 100% of each eligible participant's contribution up to a maximum of 6% of the participant's eligible compensation.

Vesting – Participants are immediately vested in their entire account, including employer contributions.

Participant accounts – Each participant's account is credited with the participant's contribution, Plan earnings or losses, and an allocation of the Company's contribution, if any. Allocation of the Company's contribution is based on participant contributions and eligible employee compensation, as defined in the Plan.

Payment of benefits – Upon termination, the participants or beneficiaries may elect to leave their account balance in the Plan, or receive their total benefits in a partial distribution (no less than $1,000) or lump sum amount equal to the value of the participant's interest in their account. The Plan allows for the automatic lump sum distribution of participant account balances that do not exceed $1,000.

Notes receivable from participants – The Plan allows participants to borrow not less than $1,000 and up to the lesser of $50,000 or 50% of their account balance. The notes receivable are secured by the participant's balance. Such notes receivable bear interest equal to the prime rate as reported by the Federal Reserve as of the last business day of the prior month plus 1%, and must be repaid to the Plan within a four-year period, unless the proceeds are used for the purchase of a principal residence in which case the maximum repayment period may not exceed 15 years. General purpose loans can be repaid within a five-year period.

The specific terms and conditions of such notes receivable are established by the Committee. Outstanding notes receivable at December 31, 2017, carry interest rates ranging from 3.25% to 9.25%.

NOTE 4 – CERTIFIED INFORMATION

The Plan Administrator has elected the method of compliance permitted by 29 CFR 2520.103-8 of the Department of Labor's Rules and Regulations for Reporting and Disclosure under ERISA. Accordingly, Great-West, the trustee of the Plan, has certified to the completeness and accuracy of:

- Investments and notes receivable reflected on the accompanying statements of net assets available for benefits as of December 31, 2017 and 2016;
- Net appreciation in fair value of investments, dividends and interest (which includes interest income from notes receivable) reflected on the accompanying statement of changes in net assets available for benefits for the year ended December 31, 2017;
- Investments reflected on the schedule of assets (held at end of year).

NOTE 5 – PLAN TERMINATION

The Company intends to continue the Plan indefinitely for the benefit of its participants; however, it reserves the right to terminate or modify the Plan at any time by resolution of its Board of Directors and subject to the provisions of ERISA.

SUPPLEMENTAL SCHEDULE

Plan Sponsor: Apple Inc.
Employer Identification Number: 94-2404110
Plan Number: 001
Schedule H, Line 4(i) - Schedule of Assets (Held at End of Year)

(a)	(b) Identity of issue, borrower, lessor, or similar party	(c) Description of investment including maturity date, rate of interest, collateral, par, or maturity value	(d) Cost	(e) Current value
	Schwab Brokerage Account	Various Accounts		$ 205,351,620
	Wells Fargo Stable Return Fund E	Common/Collective Trust Fund		249,301,963
	BlackRock Global LifePath Index Retirement Account A Fund	Common/Collective Trust Fund		97,433,686
	BlackRock Global LifePath Index 2020 Account A Fund	Common/Collective Trust Fund		102,410,864
	BlackRock Global LifePath Index 2025 Account A Fund	Common/Collective Trust Fund		164,250,495
	BlackRock Global LifePath Index 2030 Account A Fund	Common/Collective Trust Fund		260,288,196
	BlackRock Global LifePath Index 2035 Account A Fund	Common/Collective Trust Fund		341,793,765
	BlackRock Global LifePath Index 2040 Account A Fund	Common/Collective Trust Fund		403,105,655
	BlackRock Global LifePath Index 2045 Account A Fund	Common/Collective Trust Fund		523,576,703
	BlackRock Global LifePath Index 2050 Account A Fund	Common/Collective Trust Fund		470,157,947
	BlackRock Global LifePath Index 2055 Account A Fund	Common/Collective Trust Fund		276,371,786
	BlackRock Global LifePath Index 2060 Account A Fund	Common/Collective Trust Fund		34,802,368
	BNY Mellon EB Global Real Estate Sec II Fund	Common/Collective Trust Fund		121,642,814
	Eaton Vance Trust Co CIT High Yield CIV	Common/Collective Trust Fund		115,699,613
	Fidelity Contrafund Commingled Pool Class 2 Fund	Common/Collective Trust Fund		727,126,935
	Vanguard Extended Market Index Trust Fund	Common/Collective Trust Fund		375,108,151
	Vanguard Institutional 500 Index Trust Fund	Common/Collective Trust Fund		905,378,990
	Vanguard Total Bond Market Index Trust Fund	Common/Collective Trust Fund		291,758,281
	William Blair Small Mid Cap Growth CIT II Fund	Common/Collective Trust Fund		193,021,248
	Dodge & Cox International Stock Fund	Mutual Fund		322,036,881
	Loomis Sayles Core Plus Bond Y Fund	Mutual Fund		54,242,989
	Nuveen NWQ Small-Cap Value I Fund	Mutual Fund		95,483,504
	Vanguard Total International Stock Index Institutional Plus Fund	Mutual Fund		301,894,221
	Vanguard Windsor II Fund - Admiral Fund	Mutual Fund		315,964,842
*	Participant Loans	Interest rates ranging from 3.25% to 9.25%		92,439,018
				$ 7,040,642,535

* Indicates party-in-interest

APPLE 401(k) PLAN
SCHEDULE H, LINE 4(i) – SCHEDULE OF ASSETS (HELD AT END OF YEAR)
December 31, 2017

Plan Sponsor: Apple Inc.
Employer Identification Number: 94-2404110
Plan Number: 001
Schedule H, Line 4(i) - Schedule of Assets (Held at End of Year)

(a)	(b) Identity of issue, borrower, lessor, or similar party	(c) Description of investment including maturity date, rate of interest, collateral, par, or maturity value	(d) Cost	(e) Current value
	Schwab Brokerage Account	Various Accounts		$ 205,351,620
	Wells Fargo Stable Return Fund E	Common/Collective Trust Fund		249,301,963
	BlackRock Global LifePath Index Retirement Account A Fund	Common/Collective Trust Fund		97,433,686
	BlackRock Global LifePath Index 2020 Account A Fund	Common/Collective Trust Fund		102,410,864
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