

Services

The following table presents Services net sales information for 2017, 2016 and 2015 (dollars in millions):

| | 2017 | Change | 2016 | Change | 2015 |
|-------------------------------|-----------|--------|-----------|--------|-----------|
| Net sales | \$ 29,980 | 23% | \$ 24,348 | 22% | \$ 19,909 |
| Percentage of total net sales | 13% | | 11% | | 9% |

The year-over-year growth in Services net sales in 2017 was due primarily to increases in App Store and licensing sales. Services net sales in the fourth quarter of 2017 included a favorable one-time adjustment of \$640 million due to a change in estimate based on the availability of additional supporting information.

The year-over-year increase in Services net sales in 2016 was due primarily to growth from the App Store, licensing and AppleCare sales, partially offset by the effect of weakness in most foreign currencies relative to the U.S. dollar. During the first quarter of 2016, the Company received \$548 million from Samsung Electronics Co., Ltd. related to its patent infringement lawsuit, which was recorded as licensing net sales within Services.

Segment Operating Performance

The Company manages its business primarily on a geographic basis. The Company's reportable segments consist of the Americas, Europe, Greater China, Japan and Rest of Asia Pacific. Americas includes both North and South America. Europe includes European countries, as well as India, the Middle East and Africa. Greater China includes China, Hong Kong and Taiwan. Rest of Asia Pacific includes Australia and those Asian countries not included in the Company's other reportable segments. Although the reportable segments provide similar hardware and software products and similar services, each one is managed separately to better align with the location of the Company's customers and distribution partners and the unique market dynamics of each geographic region. Further information regarding the Company's reportable segments can be found in Part II, Item 8 of this Form 10-K in the Notes to Consolidated Financial Statements in Note 11, "Segment Information and Geographic Data."

Americas

The following table presents Americas net sales information for 2017, 2016 and 2015 (dollars in millions):

| | 2017 | Change | 2016 | Change | 2015 |
|-------------------------------|-----------|--------|-----------|--------|-----------|
| Net sales | \$ 96,600 | 12% | \$ 86,613 | (8)% | \$ 93,864 |
| Percentage of total net sales | 42% | | 40% | | 40% |

Americas net sales increased during 2017 compared to 2016 due primarily to higher net sales of iPhone, Services and Mac.

Americas net sales decreased during 2016 compared to 2015 due primarily to lower net sales of iPhone.

Europe

The following table presents Europe net sales information for 2017, 2016 and 2015 (dollars in millions):

| | 2017 | Change | 2016 | Change | 2015 |
|-------------------------------|-----------|--------|-----------|--------|-----------|
| Net sales | \$ 54,938 | 10% | \$ 49,952 | (1)% | \$ 50,337 |
| Percentage of total net sales | 24% | | 23% | | 22% |

Europe net sales increased during 2017 compared to 2016 due primarily to higher net sales of iPhone and Services. The weakness in foreign currencies relative to the U.S. dollar had an unfavorable impact on Europe net sales during 2017 compared to 2016.

Europe net sales decreased during 2016 compared to 2015 driven primarily by the effect of weakness in foreign currencies relative to the U.S. dollar and a decrease in net sales of Mac, largely offset by an increase in iPhone unit sales and Services.