

Apple Inc.

**CONSOLIDATED STATEMENTS OF OPERATIONS**

(In millions, except number of shares which are reflected in thousands and per share amounts)

	Years ended		
	September 29, 2018	September 30, 2017	September 24, 2016
Net sales	\$ 265,595	\$ 229,234	\$ 215,639
Cost of sales	163,756	141,048	131,376
Gross margin	101,839	88,186	84,263
Operating expenses:			
Research and development	14,236	11,581	10,045
Selling, general and administrative	16,705	15,261	14,194
Total operating expenses	30,941	26,842	24,239
Operating income	70,898	61,344	60,024
Other income/(expense), net	2,005	2,745	1,348
Income before provision for income taxes	72,903	64,089	61,372
Provision for income taxes	13,372	15,738	15,685
Net income	\$ 59,531	\$ 48,351	\$ 45,687
Earnings per share:			
Basic	\$ 12.01	\$ 9.27	\$ 8.35
Diluted	\$ 11.91	\$ 9.21	\$ 8.31
Shares used in computing earnings per share:			
Basic	4,955,377	5,217,242	5,470,820
Diluted	5,000,109	5,251,692	5,500,281

See accompanying Notes to Consolidated Financial Statements.

Apple Inc.

**CONSOLIDATED BALANCE SHEETS**

(In millions, except number of shares which are reflected in thousands and par value)

	September 29, 2018	September 30, 2017
<b>ASSETS:</b>		
Current assets:		
Cash and cash equivalents	\$ 25,913	\$ 20,289
Marketable securities	40,388	53,892
Accounts receivable, net	23,186	17,874
Inventories	3,956	4,855
Vendor non-trade receivables	25,809	17,799
Other current assets	12,087	13,936
Total current assets	131,339	128,645
Non-current assets:		
Marketable securities	170,799	194,714
Property, plant and equipment, net	41,304	33,783
Other non-current assets	22,283	18,177
Total non-current assets	234,386	246,674
Total assets	\$ 365,725	\$ 375,319
<b>LIABILITIES AND SHAREHOLDERS' EQUITY:</b>		
Current liabilities:		
Accounts payable	\$ 55,888	\$ 44,242
Other current liabilities	32,687	30,551
Deferred revenue	7,543	7,548
Commercial paper	11,964	11,977
Term debt	8,784	6,496
Total current liabilities	116,866	100,814
Non-current liabilities:		
Deferred revenue	2,797	2,836
Term debt	93,735	97,207
Other non-current liabilities	45,180	40,415
Total non-current liabilities	141,712	140,458
Total liabilities	258,578	241,272
Commitments and contingencies		
Shareholders' equity:		
Common stock and additional paid-in capital, \$0.00001 par value: 12,600,000 shares authorized; 4,754,986 and 5,126,201 shares issued and outstanding, respectively	40,201	35,867
Retained earnings	70,400	98,330
Accumulated other comprehensive income/(loss)	(3,454)	(150)
Total shareholders' equity	107,147	134,047
Total liabilities and shareholders' equity	\$ 365,725	\$ 375,319

See accompanying Notes to Consolidated Financial Statements.