

APPLE INC

FORM 8-K (Current report filing)

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Telephone	(408) 996-1010
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**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION**
Washington, D.C. 20549

FORM 8-K

CURRENT REPORT
Pursuant to Section 13 or 15(d) of
The Securities Exchange Act of 1934

January 24, 2012

Date of Report (date of earliest event reported)

APPLE INC.

(Exact name of Registrant as specified in its charter)

California
(State or other jurisdiction
of incorporation)

000-10030
(Commission
File Number)

94-2404110
(I.R.S. Employer
Identification Number)

1 Infinite Loop
Cupertino, California 95014
(Address of principal executive offices) (Zip Code)

(408) 996-1010
(Registrant's telephone number, including area code)

(Former name or former address, if changed since last report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
 - Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
 - Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
 - Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))
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Item 2.02 Results of Operations and Financial Condition.

On January 24, 2012, Apple Inc. (“Apple”) issued a press release regarding Apple’s financial results for its first fiscal quarter ended December 31, 2011 and a related data sheet. A copy of Apple’s press release is attached hereto as Exhibit 99.1 and a copy of the related data sheet is attached hereto as Exhibit 99.2.

The information contained in this Current Report shall not be deemed “filed” for purposes of Section 18 of the Securities Exchange Act of 1934, as amended (the “Exchange Act”), or incorporated by reference in any filing under the Securities Act of 1933, as amended, or the Exchange Act, except as shall be expressly set forth by specific reference in such a filing.

Item 9.01 Financial Statements and Exhibits.

(d) Exhibits.

The following exhibits are furnished herewith:

<u>Exhibit Number</u>	<u>Description</u>
99.1	Text of press release issued by Apple Inc. on January 24, 2012.
99.2	Data sheet issued by Apple Inc. on January 24, 2012.

SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

APPLE INC.

Date: January 24, 2012

By: /s/ Peter Oppenheimer

Peter Oppenheimer
Senior Vice President,
Chief Financial Officer

EXHIBIT INDEX

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Apple Reports First Quarter Results

Highest Quarterly Revenue and Earnings Ever

All-Time Record iPhone, iPad and Mac Sales

CUPERTINO, California—January 24, 2012—Apple® today announced financial results for its fiscal 2012 first quarter which spanned 14 weeks and ended December 31, 2011. The Company posted record quarterly revenue of \$46.33 billion and record quarterly net profit of \$13.06 billion, or \$13.87 per diluted share. These results compare to revenue of \$26.74 billion and net quarterly profit of \$6 billion, or \$6.43 per diluted share, in the year-ago quarter. Gross margin was 44.7 percent compared to 38.5 percent in the year-ago quarter. International sales accounted for 58 percent of the quarter's revenue.

The Company sold 37.04 million iPhones in the quarter, representing 128 percent unit growth over the year-ago quarter. Apple sold 15.43 million iPads during the quarter, a 111 percent unit increase over the year-ago quarter. The Company sold 5.2 million Macs during the quarter, a 26 percent unit increase over the year-ago quarter. Apple sold 15.4 million iPods, a 21 percent unit decline from the year-ago quarter.

“We’re thrilled with our outstanding results and record-breaking sales of iPhones, iPads and Macs,” said Tim Cook, Apple’s CEO. “Apple’s momentum is incredibly strong, and we have some amazing new products in the pipeline.”

“We are very happy to have generated over \$17.5 billion in cash flow from operations during the December quarter,” said Peter Oppenheimer, Apple’s CFO. “Looking ahead to the second fiscal quarter of 2012, which will span 13 weeks, we expect revenue of about \$32.5 billion and we expect diluted earnings per share of about \$8.50.”

Apple will provide live streaming of its Q1 2012 financial results conference call beginning at 2:00 p.m. PST on January 24, 2012 at www.apple.com/quicktime/qtv/earningsq112. This webcast will also be available for replay for approximately two weeks thereafter.

This press release contains forward-looking statements including without limitation those about the Company's estimated revenue and earnings per share. These statements involve risks and uncertainties, and actual results may differ. Risks and uncertainties include without limitation the effect of competitive and economic factors, and the Company's reaction to those factors, on consumer and business buying decisions with respect to the Company's products; continued competitive pressures in the marketplace; the ability of the Company to deliver to the marketplace and stimulate customer demand for new programs, products, and technological innovations on a timely basis; the effect that product introductions and transitions, changes in product pricing or mix, and/or increases in component costs could have on the Company's gross margin; the inventory risk associated with the Company's need to order or commit to order product components in advance of customer orders; the continued availability on acceptable terms, or at all, of certain components and services essential to the Company's business currently obtained by the Company from sole or limited sources; the effect that the Company's dependency on manufacturing and logistics services provided by third parties may have on the quality, quantity or cost of products manufactured or services rendered; risks associated with the Company's international operations; the Company's reliance on third-party intellectual property and digital content; the potential impact of a finding that the Company has infringed on the intellectual property rights of others; the Company's dependency on the performance of distributors, carriers and other resellers of the Company's products; the effect that product and service quality problems could have on the Company's sales and operating profits; the continued service and availability of key executives and employees; war, terrorism, public health issues, natural disasters, and other circumstances that could disrupt supply, delivery, or demand of products; and unfavorable results of other legal proceedings. More information on potential factors that could affect the Company's financial results is included from time to time in the "Risk Factors" and "Management's Discussion and Analysis of Financial Condition and Results of Operations" sections of the Company's public reports filed with the SEC, including the Company's Form 10-K for the fiscal year ended September 24, 2011 and its Form 10-Q for the fiscal quarter ended December 31, 2011 to be filed with the SEC. The Company assumes no obligation to update any forward-looking statements or information, which speak as of their respective dates.

Apple designs Macs, the best personal computers in the world, along with OS X, iLife, iWork and professional software. Apple leads the digital music revolution with its iPods and iTunes online store. Apple has reinvented the mobile phone with its revolutionary iPhone and App Store, and is defining the future of mobile media and computing devices with iPad.

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NOTE TO EDITORS: For additional information visit Apple's PR website (www.apple.com/pr), or call Apple's Media Helpline at (408) 974-2042.

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Apple Inc.
UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS
(In millions, except number of shares which are reflected in thousands and per share amounts)

	Three Months Ended	
	December 31, 2011	December 25, 2010
Net sales	\$ 46,333	\$ 26,741
Cost of sales (1)	25,630	16,443
Gross margin	<u>20,703</u>	<u>10,298</u>
Operating expenses:		
Research and development (1)	758	575
Selling, general and administrative (1)	2,605	1,896
Total operating expenses	<u>3,363</u>	<u>2,471</u>
Operating income	17,340	7,827
Other income and expense	137	136
Income before provision for income taxes	17,477	7,963
Provision for income taxes	4,413	1,959
Net income	<u>\$ 13,064</u>	<u>\$ 6,004</u>
Earnings per common share:		
Basic	\$ 14.03	\$ 6.53
Diluted	\$ 13.87	\$ 6.43
Shares used in computing earnings per share:		
Basic	931,041	919,294
Diluted	941,572	933,154
(1) Includes share-based compensation expense as follows:		
Cost of sales	\$ 63	\$ 52
Research and development	\$ 160	\$ 113
Selling, general and administrative	\$ 197	\$ 134

Apple Inc.
UNAUDITED CONDENSED CONSOLIDATED BALANCE SHEETS
(In millions, except number of shares which are reflected in thousands)

	<u>December 31,</u> 2011	<u>September 24,</u> 2011
ASSETS:		
Current assets:		
Cash and cash equivalents	\$ 10,310	\$ 9,815
Short-term marketable securities	19,846	16,137
Accounts receivable, less allowances of \$78 and \$53, respectively	8,930	5,369
Inventories	1,236	776
Deferred tax assets	1,937	2,014
Vendor non-trade receivables	7,554	6,348
Other current assets	<u>4,958</u>	<u>4,529</u>
Total current assets	54,771	44,988
Long-term marketable securities	67,445	55,618
Property, plant and equipment, net	7,816	7,777
Goodwill	896	896
Acquired intangible assets, net	3,472	3,536
Other assets	<u>4,281</u>	<u>3,556</u>
Total assets	<u>\$ 138,681</u>	<u>\$ 116,371</u>
LIABILITIES AND SHAREHOLDERS' EQUITY:		
Current liabilities:		
Accounts payable	\$ 18,221	\$ 14,632
Accrued expenses	11,500	9,247
Deferred revenue	<u>4,886</u>	<u>4,091</u>
Total current liabilities	34,607	27,970
Deferred revenue – non-current	2,187	1,686
Other non-current liabilities	<u>11,833</u>	<u>10,100</u>
Total liabilities	<u>48,627</u>	<u>39,756</u>
Commitments and contingencies		
Shareholders' equity:		
Common stock, no par value; 1,800,000 shares authorized; 932,214 and 929,277 shares issued and outstanding, respectively	13,961	13,331
Retained earnings	75,709	62,841
Accumulated other comprehensive income	<u>384</u>	<u>443</u>
Total shareholders' equity	<u>90,054</u>	<u>76,615</u>
Total liabilities and shareholders' equity	<u>\$ 138,681</u>	<u>\$ 116,371</u>

Apple Inc.
UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(In millions)

	Three Months Ended	
	December 31, 2011	December 25, 2010
Cash and cash equivalents, beginning of the period	\$ 9,815	\$ 11,261
Operating activities:		
Net income	13,064	6,004
Adjustments to reconcile net income to cash generated by operating activities:		
Depreciation, amortization and accretion	721	356
Share-based compensation expense	420	299
Deferred income tax expense	1,456	823
Changes in operating assets and liabilities:		
Accounts receivable, net	(3,561)	(517)
Inventories	(460)	166
Vendor non-trade receivables	(1,206)	(433)
Other current and non-current assets	(962)	(558)
Accounts payable	4,314	2,346
Deferred revenue	1,296	634
Other current and non-current liabilities	2,472	653
Cash generated by operating activities	<u>17,554</u>	<u>9,773</u>
Investing activities:		
Purchases of marketable securities	(40,175)	(19,575)
Proceeds from maturities of marketable securities	3,038	3,279
Proceeds from sales of marketable securities	21,472	6,853
Payments for acquisition of property, plant and equipment	(1,321)	(1,214)
Payments for acquisition of intangible assets	(108)	(49)
Other	(34)	(23)
Cash used in investing activities	<u>(17,128)</u>	<u>(10,729)</u>
Financing activities:		
Proceeds from issuance of common stock	91	208
Excess tax benefits from equity awards	333	454
Taxes paid related to net share settlement of equity awards	(355)	(233)
Cash generated by financing activities	<u>69</u>	<u>429</u>
Increase/(decrease) in cash and cash equivalents	495	(527)
Cash and cash equivalents, end of the period	<u>\$ 10,310</u>	<u>\$ 10,734</u>
Supplemental cash flow disclosure:		
Cash paid for income taxes, net	\$ 1,474	\$ 826

Apple Inc.
Q1 2012 Unaudited Summary Data
(Units in thousands, Revenue in millions)

	Q4 2011		Q1 2011		Q1 2012		Sequential Change		Year/Year Change	
	Mac Units	Revenue	Mac Units	Revenue	Mac Units	Revenue	Mac Units	Revenue	Mac Units	Revenue
Operating Segments										
Americas	1,716	\$ 9,648	1,360	\$ 9,218	1,612	\$17,714	- 6%	84%	19%	92%
Europe	1,176	7,397	1,245	7,256	1,482	11,256	26%	52%	19%	55%
Japan	175	1,111	162	1,433	184	3,550	5%	220%	14%	148%
Asia Pacific	731	6,530	516	4,987	814	7,697	11%	18%	58%	54%
Retail	1,096	3,584	851	3,847	1,106	6,116	1%	71%	30%	59%
Total Operating Segments	<u>4,894</u>	<u>\$28,270</u>	<u>4,134</u>	<u>\$26,741</u>	<u>5,198</u>	<u>\$46,333</u>	6%	64%	26%	73%

	Q4 2011		Q1 2011		Q1 2012		Sequential Change		Year/Year Change	
	Units	Revenue	Units	Revenue	Units	Revenue	Units	Revenue	Units	Revenue
Product Summary										
Mac Desktops (1)(9)	1,278	\$ 1,687	1,227	\$ 1,731	1,479	\$ 1,936	16%	15%	21%	12%
Mac Portables (2)(9)	3,616	4,585	2,907	3,699	3,719	4,662	3%	2%	28%	26%
Subtotal Mac	4,894	6,272	4,134	5,430	5,198	6,598	6%	5%	26%	22%
iPod (3)(9)	6,622	1,103	19,446	3,425	15,397	2,528	133%	129%	- 21%	- 26%
Other Music Related Products and Services (4)		1,678		1,431		2,027		21%		42%
iPhone and Related Products and Services (5)(9)	17,073	10,980	16,235	10,468	37,044	24,417	117%	122%	128%	133%
iPad and Related Products and Services (6)(9)	11,123	6,868	7,331	4,608	15,434	9,153	39%	33%	111%	99%
Peripherals and Other Hardware (7)		640		593		766		20%		29%
Software, Service and Other Sales (8)		729		786		844		16%		7%
Total Apple		<u>\$28,270</u>		<u>\$26,741</u>		<u>\$46,333</u>		64%		73%

(1) Includes revenue from iMac, Mac mini and Mac Pro sales.

(2) Includes revenue from MacBook, MacBook Air and MacBook Pro sales.

(3) Includes revenue from iPod sales.

(4) Includes revenue from sales from the iTunes Store, App Store, and iBookstore in addition to sales of iPod services and Apple-branded and third-party iPod accessories.

(5) Includes revenue from sales of iPhone, iPhone services, and Apple-branded and third-party iPhone accessories.

(6) Includes revenue from sales of iPad, iPad services, and Apple-branded and third-party iPad accessories.

(7) Includes revenue from sales of displays, networking products, and other hardware.

(8) Includes revenue from sales of Apple-branded and third-party Mac software, and services.

(9) Includes amortization of related revenue deferred for non-software services and embedded software upgrade rights.