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**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549**

Form 10-K

(Mark One)

ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the fiscal year ended September 28, 2013

Or

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from _____ to _____

Commission file number: 000-10030

APPLE INC.

(Exact name of registrant as specified in its charter)

California

(State or other jurisdiction of incorporation or organization)

94-2404110

(I.R.S. Employer Identification No.)

1 Infinite Loop

Cupertino, California

(Address of principal executive offices)

95014

(Zip Code)

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

Securities registered pursuant to Section 12(b) of the Act:

Common Stock, no par value

(Title of class)

The NASDAQ Stock Market LLC

(Name of exchange on which registered)

Securities registered pursuant to Section 12(g) of the Act: None

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act.

Yes No

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act.

Yes No

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.

Yes No

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files).

Yes No

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K (§229.405 of this chapter) is not contained herein, and will not be contained, to the best of the registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K.

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of "large accelerated filer," "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer

Accelerated filer

Non-accelerated filer (Do not check if a smaller reporting company)

Smaller reporting company

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Act).

Yes No

The aggregate market value of the voting and non-voting stock held by non-affiliates of the registrant, as of March 29, 2013, the last business day of the registrant's most recently completed second fiscal quarter, was approximately \$416,005,000,000. Solely for purposes of this disclosure, shares of common stock held by executive officers and directors of the registrant as of such date have been excluded because such persons may be deemed to be affiliates. This determination of executive officers and directors as affiliates is not necessarily a conclusive determination for any other purposes.

899,738,000 shares of common stock were issued and outstanding as of October 18, 2013.

DOCUMENTS INCORPORATED BY REFERENCE

Portions of the registrant's definitive proxy statement relating to its 2014 annual meeting of shareholders (the "2014 Proxy Statement") are incorporated by reference into Part III of this Annual Report on Form 10-K where indicated. The 2014 Proxy Statement will be filed with the U.S. Securities and Exchange Commission within 120 days after the end of the fiscal year to which this report relates.

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Mac

The following table presents Mac net sales and unit sales information for 2013, 2012 and 2011 (net sales in millions and units in thousands):

	<u>2013</u>	<u>Change</u>	<u>2012</u>	<u>Change</u>	<u>2011</u>
Net sales	\$21,483	(7)%	\$23,221	7%	\$21,783
Percentage of total net sales	13%		15%		20%
Unit sales	16,341	(10)%	18,158	9%	16,735

Mac net sales and unit sales for 2013 were down or relatively flat in all of the Company's operating segments. Mac ASPs increased slightly partially offsetting the impact of lower unit sales on net sales. The decline in Mac unit sales and net sales reflects the overall weakness in the market for personal computers.

The year-over-year growth in Mac net sales and unit sales during 2012 reflects increased demand for Mac portables in all of the Company's operating segments driven by 2012 releases of updated models of MacBook Air and MacBook Pro, including MacBook Pro with Retina display in June 2012. Partially offsetting the increase in net sales of Mac portables was a decline in net sales of Mac desktops that reflected the overall decline in the market for desktop personal computers during 2012. Additionally, the Company did not introduce updated versions of its Mac desktop products in 2012.

iTunes, Software and Services

The following table presents net sales information of iTunes, software and services for 2013, 2012 and 2011 (in millions):

	<u>2013</u>	<u>Change</u>	<u>2012</u>	<u>Change</u>	<u>2011</u>
iTunes, software and services	\$16,051	25%	\$12,890	38%	\$ 9,373
Percentage of total net sales	9%		8%		9%

The increase in net sales of iTunes, software and services in 2013 compared to 2012 was primarily due to growth in net sales from the iTunes Store, AppleCare and licensing. The iTunes Store generated a total of \$9.3 billion in net sales during 2013, a 24% increase from 2012. Growth in the iTunes Store, which includes the App Store, the Mac App Store and the iBooks Store, reflects continued growth in the installed base of iOS devices, expanded offerings of iOS apps and related in-App purchases, and expanded offerings of iTunes digital content.

The increase in net sales of iTunes, software and services in 2012 compared to 2011 was due primarily to growth of the iTunes Store, which generated total net sales of \$7.5 billion for 2012 compared to net sales of \$5.4 billion during 2011. The strong results of the iTunes Store in 2012 reflect growth of the App Store; growth of the Company's customer base; and the continued expansion of third-party audio, video and book content available for sale or rent via the iTunes Store.