

**APPLE FIVE-YEAR FINANCIAL HISTORY**

Results of Operations	2002	2001	2000	1999	1998
Net sales:					
Domestic	\$3,272	\$2,936	\$4,146	\$3,394	\$3,287
International	2,470	2,427	3,837	2,740	2,654
Total net sales	<u>5,742</u>	<u>5,363</u>	<u>7,983</u>	<u>6,134</u>	<u>5,941</u>
Costs and expenses:					
Cost of sales	4,139	4,128	5,817	4,438	4,462
Research and development (R&D)	446	430	380	314	303
Selling, general and administrative (SG&A)	1,111	1,138	1,166	996	908
Operating expenses before special charges	<u>1,557</u>	<u>1,568</u>	<u>1,546</u>	<u>1,310</u>	<u>1,211</u>
Special Charges					
Executive Bonus	-2	--	90	--	--
In-process research and development	1	11	--	--	7
Restructuring costs and other	30	--	8	27	--
Termination of license agreement	--	--	--	--	--
Total Operating Expenses	<u>1,586</u>	<u>1,579</u>	<u>1,644</u>	<u>1,337</u>	<u>1,218</u>
Operating income (loss)	17	-344	522	359	261
Interest and other income (expense), net	<u>70</u>	<u>292</u>	<u>570</u>	<u>317</u>	<u>68</u>
Income (loss) before provision (benefit) for income taxes	87	-52	1,092	676	329
Provision (benefit) for income taxes	22	-15	306	75	20
Cumulative effect of accounting change, net of income taxes of \$5		12			
Net income (loss)	<u>\$65</u>	<u>(\$25)</u>	<u>\$786</u>	<u>\$601</u>	<u>\$309</u>
Diluted earnings (loss) per common and common equivalent share	\$0.18	(\$0.07)	\$2.18	\$1.81	\$1.05
Diluted common and common equivalent shares used in the calculations of earnings (loss) per share (in thousands)	361,785	345,613	360,324	348,328	335,834
<b>Financial Position</b>					
Cash, cash equivalents, and short-term investments	\$4,337	\$4,336	\$4,027	\$3,226	\$2,300
Accounts receivable, net	565	466	953	681	955
Inventories	45	11	33	20	78
Net property, plant, and equipment	621	564	419	318	348
Total assets	6,298	6,021	6,803	5,161	4,289
Current liabilities	1,658	1,518	1,933	1,549	1,520
Long Term Debt	316	317	300	300	954
Deferred tax liabilities	229	266	463	208	173
Shareholders' equity	\$4,095	\$3,920	\$4,107	\$3,104	\$1,642
Cash dividends declared per common share	--	--	--	--	--
<b>Other Data (Unaudited)</b>					
Regular employees	10,194	9,612	8,568	6,960	6,658
Temporary employees and contractors	2,030	1,831	3,160	2,776	3,005
International net sales as a percentage of total net sales	43%	45%	48%	45%	45%
Gross margin as a percentage of net sales	28%	23%	27%	28%	25%
R&D as a percentage of net sales	8%	8%	5%	5%	5%
SG&A as a percentage of net sales	19%	21%	15%	16%	15%
Operating income (loss) as a percentage of net sales	0%	-6%	7%	6%	4%
Return on net sales	1%	--	10%	10%	5%
Return on average total assets	1%	--	13%	13%	#REF!
Return on average shareholders' equity	2%	--	22%	25%	#REF!
Price range per common share	\$26.17-\$13.80	\$27.12-\$13.63	\$75.19-\$25.38	\$40.07-\$14.25	\$21.88-\$6.38