

**PART I — FINANCIAL INFORMATION****Item 1. Financial Statements****Apple Inc.****CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS (Unaudited)**

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

	Three Months Ended		Nine Months Ended	
	June 30, 2018	July 1, 2017	June 30, 2018	July 1, 2017
Net sales	\$ 53,265	\$ 45,408	\$ 202,695	\$ 176,655
Cost of sales	32,844	27,920	124,940	108,400
Gross margin	20,421	17,488	77,755	68,255
Operating expenses:				
Research and development	3,701	2,937	10,486	8,584
Selling, general and administrative	4,108	3,783	12,489	11,447
Total operating expenses	7,809	6,720	22,975	20,031
Operating income	12,612	10,768	54,780	48,224
Other income/(expense), net	672	540	1,702	1,948
Income before provision for income taxes	13,284	11,308	56,482	50,172
Provision for income taxes	1,765	2,591	11,076	12,535
Net income	\$ 11,519	\$ 8,717	\$ 45,406	\$ 37,637
Earnings per share:				
Basic	\$ 2.36	\$ 1.68	\$ 9.07	\$ 7.18
Diluted	\$ 2.34	\$ 1.67	\$ 8.99	\$ 7.14
Shares used in computing earnings per share:				
Basic	4,882,167	5,195,088	5,006,640	5,239,847
Diluted	4,926,609	5,233,499	5,050,963	5,274,394
Cash dividends declared per share	\$ 0.73	\$ 0.63	\$ 1.99	\$ 1.77

See accompanying Notes to Condensed Consolidated Financial Statements.