

# Exhibit 1

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 25, 2010

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 Global Select Market

(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 (section 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

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

Accelerated filer

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 27, 2010, was approximately \$208,565,000,000 based upon the closing price reported for such date on the NASDAQ Global Select Market. For purposes of this disclosure,

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Asia-Pacific reportable segments do not include activities related to the Retail segment. The Americas segment includes both North and South America. The Europe segment includes European countries, as well as the Middle East and Africa. The Asia-Pacific segment includes Australia and Asia, but does not include Japan. The Retail segment operates Apple-owned retail stores in the U.S. and in international markets. Each reportable operating segment provides similar hardware and software products and similar services. Further information regarding the Company's operating segments may be found in Part II, Item 7 of this Form 10-K under the subheading "Segment Operating Performance," and in Part II, Item 8 of this Form 10-K in Notes to Consolidated Financial Statements at Note 9, "Segment Information and Geographic Data."

### **Products**

The Company offers a range of personal computing products, mobile communication and media devices, and portable digital music players, as well as a variety of related software, services, peripherals, networking solutions and various third-party hardware and software products. In addition, the Company offers its own software products, including Mac OS® X, the Company's proprietary operating system software for the Macintosh® ("Mac"); iOS, the Company's proprietary mobile operating system; server software and application software for consumer, education, and business customers. The Company's primary products are discussed below.

#### *Mac Hardware Products*

The Company offers a range of personal computing products including desktop and portable computers, Xserve® servers, related devices and peripherals, and various third-party hardware products. The Company's Mac desktop and portable systems feature Intel microprocessors, the Company's Mac OS X Version 10.6 Snow Leopard® ("Mac OS X Snow Leopard") operating system and the iLife® suite of software for creation and management of digital photography, music, movies, DVDs and websites.

The Company's desktop computers include iMac®, Mac® Pro and Mac® mini. The iMac desktop computer is an all-in-one design that incorporates a display, processor, graphics card, hard drive, optical drive, memory and other components inside a single enclosure. The Mac Pro desktop computer is targeted at business and professional customers and is designed to meet the performance, expansion, and networking needs of the most demanding Mac user. The Mac mini is a desktop computer in a compact enclosure.

The Company's portable computers include MacBook®, MacBook® Pro and MacBook Air®. MacBook is a portable computer designed for consumer and education users. MacBook Pro is a portable computer designed for professionals and consumers. MacBook Air is a high performance, ultra-slim notebook computer designed for professionals and consumers.

#### *iTunes®*

iTunes digital music management software ("iTunes") is an application for playing, downloading, and organizing digital audio and video files and is available for both Mac and Windows-based computers. iTunes 10 features Ping, a music-oriented social network, AirPlay® wireless music playback, Genius Mixes, Home Sharing, and improved syncing functionality with the Company's mobile communication and media devices.

iTunes is integrated with the iTunes Store®, a service that allows customers to find, purchase, rent, and download third-party digital music, audio books, music videos, short films, television shows, movies, podcasts, games, and other applications. The iTunes Store currently serves customers in 23 countries. The iTunes Store includes the Company's App Store™ and iBookstore™. The App Store allows customers to discover and download third-party applications, and the iBookstore features electronic books from major and independent publishers and provides customers a place to preview and buy books for their mobile communication and media devices. Customers can access the App Store through either a Mac or Windows-based computer or wirelessly through an iPhone®, iPad™ or iPod touch®. The iBookstore is accessed through the iBooks® application on an iPhone, iPad or iPod touch.

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### *iPhone*

iPhone combines a mobile phone, a widescreen iPod® with touch controls, and an Internet communications device in a single handheld product. Based on the Company's Multi-Touch™ user interface, iPhone features desktop-class email, web browsing, searching, and maps and is compatible with both Macs and Windows-based computers. iPhone automatically syncs content from users' iTunes libraries, as well as contacts, bookmarks, and email accounts. iPhone allows customers to access the iTunes Store to download audio and video files, as well as a variety of other digital content and applications. In June 2010, the Company introduced the iPhone 4 featuring an all-new design, FaceTime® video calling, a new high resolution Retina™ display, a 5 megapixel camera with LED flash and front facing camera, high definition video recording, Apple's A4 processor and a 3-axis gyroscope. In addition to the Company's own iPhone accessories, third-party iPhone compatible products are available through the Company's online and retail stores and from third parties.

The Company has signed multi-year agreements with various cellular network carriers authorizing them to distribute and provide cellular network services for iPhones. These agreements are generally not exclusive with a specific carrier, except in the U.S.

### *iPad*

In January 2010, the Company introduced iPad, a multi-purpose mobile device for browsing the web, reading and sending email, viewing photos, watching videos, listening to music, playing games, reading e-books and more. iPad is based on the Company's Multi-Touch technology and allows customers to connect with their applications and content in a more interactive way. iPad allows customers to access the iTunes Store to download audio and video files, as well as a variety of other digital content and applications. In addition to the Company's own iPad accessories, third-party iPad compatible products are available through the Company's online and retail stores and from third parties.

### *iPod*

The Company's iPod line of portable digital music and media players is comprised of iPod touch, iPod nano®, iPod shuffle® and iPod classic®. All iPods work with iTunes. In addition to the Company's own iPod accessories, third-party iPod compatible products are available, either through the Company's online and retail stores or from third parties.

The iPod touch is a flash-memory-based iPod with a widescreen display and a Multi-Touch user interface. The Company's latest iPod touch, introduced in September 2010, includes features such as a Retina display, FaceTime video calling, high definition video recording and Game Center. iPod touch allows customers to access the iTunes Store to download audio and video files, as well as a variety of other digital content and applications. The Company's latest iPod nano, introduced in September 2010, is a flash-memory-based iPod that has been redesigned to feature the Company's Multi-Touch interface allowing customers to navigate their music collection by tapping or swiping the display. The new iPod nano features a polished aluminum and glass enclosure with a built-in clip. iPod shuffle, which was updated in September 2010, is a flash-memory-based iPod that features a clickable control pad to control music playback and VoiceOver technology enabling customers to hear song titles, artists and playlist names. The iPod classic is a hard-drive based portable digital music and video player.

### *Displays & Peripheral Products*

The Company manufactures the Apple Cinema High Definition Display™ and sells a variety of Apple-branded and third-party Mac-compatible peripheral products, including printers, storage devices, computer memory, digital video and still cameras, and various other computing products and supplies.

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### Apple TV®

Apple TV is a device that allows customers to rent and watch movies and television shows on their television. Content from Netflix, YouTube, Flickr and MobileMe™, as well as music, photos and videos from a Mac or Windows-based computer can also be wirelessly streamed to a television through Apple TV.

### *Software Products and Computer Technologies*

The Company offers a range of software products for consumer, SMB, education, enterprise, government, and creative customers, including the Company's proprietary Mac OS X and iOS operating system software; server software and related solutions; professional application software; and consumer, education, and business oriented application software.

### Operating System Software

#### Mac OS X

Mac OS X is built on an open-source UNIX-based foundation. Mac OS X Snow Leopard is the seventh major release of Mac OS X and became available in August 2009. Mac OS X Snow Leopard features upgraded speed and performance and includes a new version of QuickTime® X, support for Microsoft Exchange Server 2007 and VoiceOver integration with the Multi-Touch trackpad. Mac OS X offers Stacks, a means of easily accessing files from the Dock; Finder® that lets users quickly browse and share files between multiple Macs; Quick Look, a way to instantly see files without opening an application; Spaces®, a feature used to create groups of applications and instantly switch between them; and Time Machine®, a way to automatically back up all of the contents of a Mac.

#### iOS

iOS is the Company's mobile operating system that serves as the foundation for iPhone, iPad and iPod touch. In June 2010, the Company launched iOS 4, the latest version of the Company's mobile operating system. iOS 4 features Multitasking that allows customers to move between applications, Folders to organize and easily access applications, a unified Mail inbox, support for the iAd™ mobile advertising platform, and the iBooks reader and iBookstore. The iAd mobile advertising platform provides media rich advertisements which allows mobile device customers to engage with an ad without being removed from the applications they are currently using. iOS 4 became available for iPhone 3G, iPhone 3GS, iPhone 4, and second and third generation iPod touch in June 2010, and is expected to be available for iPad in November 2010. Certain features of the iOS 4 software will not function on certain earlier iPhone and iPod touch models.

### Application Software

#### iLife

iLife '11 is the latest version of the Company's consumer-oriented digital lifestyle application suite included with all Mac computers. iLife features iPhoto®, iMovie®, iDVD®, GarageBand®, and iWeb™. iPhoto is the Company's consumer-oriented digital photo software application and iMovie is the Company's consumer-oriented digital video editing software application. iDVD is the Company's consumer-oriented software application that enables customers to turn iMovie files, QuickTime files, and digital pictures into interactive DVDs. GarageBand is the Company's consumer-oriented music creation software application that allows customers to play, record and create music. iWeb allows customers to create online photo albums, blogs and podcasts, and to customize websites using editing tools.

#### iWork®

iWork '09 is the latest version of the Company's integrated productivity suite designed to help users create, present, and publish documents, presentations, and spreadsheets. iWork '09 includes updates to Pages® '09 for

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word processing and page layout, Keynote® '09 for presentations, and Numbers® '09 for spreadsheets. In January 2010, the Company also introduced a new version of iWork for iPad, a productivity suite including versions of Pages, Keynote and Numbers designed specifically for Multi-Touch.

### Other Application Software

The Company also sells various other application software, including Final Cut Studio®, Final Cut® Express, Final Cut® Server, Logic Studio®, Logic® Express 9, Logic Studio® Pro, and its FileMaker® Pro database software.

### *Internet Software and Services*

The Company is focused on delivering seamless integration with and access to the Internet throughout the Company's products and services. The Company's Internet solutions adhere to many industry standards to provide an optimized user experience. Safari 5® is the latest version of the Company's web browser that is compatible with Macs and Windows-based computers. MobileMe is an annual subscription-based suite of Internet services that delivers email, contacts and calendars to and from native applications on iPhone, iPad, iPod touch, Macs, and Windows-based computers.

### **Product Support and Services**

AppleCare® offers a range of support options for the Company's customers. These options include assistance that is built into software products, printed and electronic product manuals, online support including comprehensive product information as well as technical assistance, and the AppleCare Protection Plan ("APP"). APP is a fee-based service that typically includes two to three years of phone support and hardware repairs, dedicated web-based support resources, and user diagnostic tools.

### **Markets and Distribution**

The Company's customers are primarily in the consumer, SMB, education, enterprise, government and creative markets. The Company utilizes a variety of direct and indirect distribution channels, such as its retail stores, online stores, and direct sales force, and third-party cellular network carriers, wholesalers, retailers, and value-added resellers. The Company believes that sales of its innovative and differentiated products are enhanced by knowledgeable salespersons who can convey the value of the hardware, software, and peripheral integration, demonstrate the unique digital lifestyle solutions that are available on its products, and demonstrate the compatibility of the Mac with the Windows platform and networks. The Company further believes providing direct contact with its targeted customers is an effective way to demonstrate the advantages of its products over those of its competitors and providing a high-quality sales and after-sales support experience is critical to attracting new and retaining existing customers. To ensure a high-quality buying experience for its products in which service and education are emphasized, the Company continues to expand and improve its distribution capabilities by expanding the number of its own retail stores worldwide. Additionally, the Company has invested in programs to enhance reseller sales by placing high quality Apple fixtures, merchandising materials and other resources within selected third-party reseller locations. Through the Apple Premium Reseller Program, certain third-party resellers focus on the Apple platform by providing a high level of integration and support services, and product expertise.