

# EXHIBIT 29

# APPLE INC

## FORM 10-Q (Quarterly Report)

Filed 07/20/11 for the Period Ending 06/25/11

Address	ONE INFINITE LOOP CUPERTINO, CA 95014
Telephone	(408) 996-1010
CIK	0000320193
Symbol	AAPL
SIC Code	3571 - Electronic Computers
Industry	Computer Hardware
Sector	Technology
Fiscal Year	09/30

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

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**Form 10-Q**

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(Mark One)

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

For the quarterly period ended June 25, 2011

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

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**APPLE INC.**

(Exact name of Registrant as specified in its charter)

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**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**

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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 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 a 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 Exchange Act).

Yes ☐ No ☒

927,090,886 shares of common stock issued and outstanding as of July 8, 2011

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### *Capital Assets*

The Company's capital expenditures were \$3.1 billion during the first nine months of 2011 consisting of approximately \$316 million for retail store facilities and \$2.8 billion for other capital expenditures, including product tooling and manufacturing process equipment, real estate for the future development of the Company's second corporate campus, and other corporate facilities and infrastructure. The Company's actual cash payments for capital expenditures during the first nine months of 2011 were \$2.6 billion, of which \$315 million relates to retail store facilities.

The Company anticipates utilizing approximately \$5.0 billion for capital expenditures during 2011, including approximately \$650 million for retail store facilities and approximately \$4.35 billion for product tooling and manufacturing process equipment, and corporate facilities and infrastructure, including information systems hardware, software and enhancements.

Historically the Company has opened between 25 and 50 new retail stores per year. During 2011, the Company expects to open about 40 new retail stores, with about 70% expected to be located outside of the U.S.

### **Off-Balance Sheet Arrangements and Contractual Obligations**

The Company has not entered into any transactions with unconsolidated entities whereby the Company has financial guarantees, subordinated retained interests, derivative instruments or other contingent arrangements that expose the Company to material continuing risks, contingent liabilities, or any other obligation under a variable interest in an unconsolidated entity that provides financing, liquidity, market risk or credit risk support to the Company.

### *Lease Commitments*

The Company's major facility leases are typically for terms not exceeding 10 years and generally provide renewal options for terms not exceeding five additional years. Leases for retail space are for terms ranging from five to 20 years, the majority of which are for 10 years, and often contain multi-year renewal options. As of June 25, 2011, the Company's total future minimum lease payments under noncancelable operating leases were \$2.7 billion, of which \$2.2 billion related to leases for retail space.

### *Purchase Commitments with Outsourcing Partners and Component Suppliers*

The Company utilizes several outsourcing partners to manufacture sub-assemblies for the Company's products and to perform final assembly and test of finished products. These outsourcing partners acquire components and build product based on demand information supplied by the Company, which typically covers periods ranging from 30 to 150 days. The Company also obtains individual components for its products from a wide variety of individual suppliers. Consistent with industry practice, the Company acquires components through a combination of purchase orders, supplier contracts, and open orders based on projected demand information. As of June 25, 2011, the Company had outstanding off-balance sheet third-party manufacturing commitments and component purchase commitments of \$11.0 billion.

The Company has also entered into long-term agreements to secure the supply of certain inventory components. These agreements generally expire between 2011 and 2022. As of June 25, 2011, the Company had off-balance sheet commitments under long-term supply agreements totaling approximately \$1.7 billion to make additional inventory component prepayments and to acquire capital equipment in 2011 and beyond.

### *Other Obligations*

Other outstanding obligations were \$1.6 billion as of June 25, 2011, and were comprised mainly of commitments to acquire product tooling and manufacturing process equipment, in addition to that noted above under long-term supply agreements, and commitments related to advertising, research and development, Internet and telecommunications services and other obligations.

The Company's other non-current liabilities in the Condensed Consolidated Balance Sheets consist primarily of deferred tax liabilities, gross unrecognized tax benefits and the related gross interest and penalties. As of June 25, 2011, the Company had non-current deferred tax liabilities of \$7.3 billion. Additionally, as of June 25, 2011, the Company had gross unrecognized tax benefits of \$1.2 billion and an additional \$266 million for gross interest and penalties classified as non-current liabilities. At this time, the Company is unable to make a reasonably reliable estimate of the timing of payments in individual years due to uncertainties in the timing of tax audit outcomes.

On June 27, 2011, the Company, as part of a consortium, participated in the acquisition of Nortel's patent portfolio for an overall purchase price of \$4.5 billion, of which the Company's contribution will be approximately \$2.6 billion. This asset acquisition is subject to approval by various regulatory agencies.