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iPhone SE Takes Share from Higher-Priced iPhones

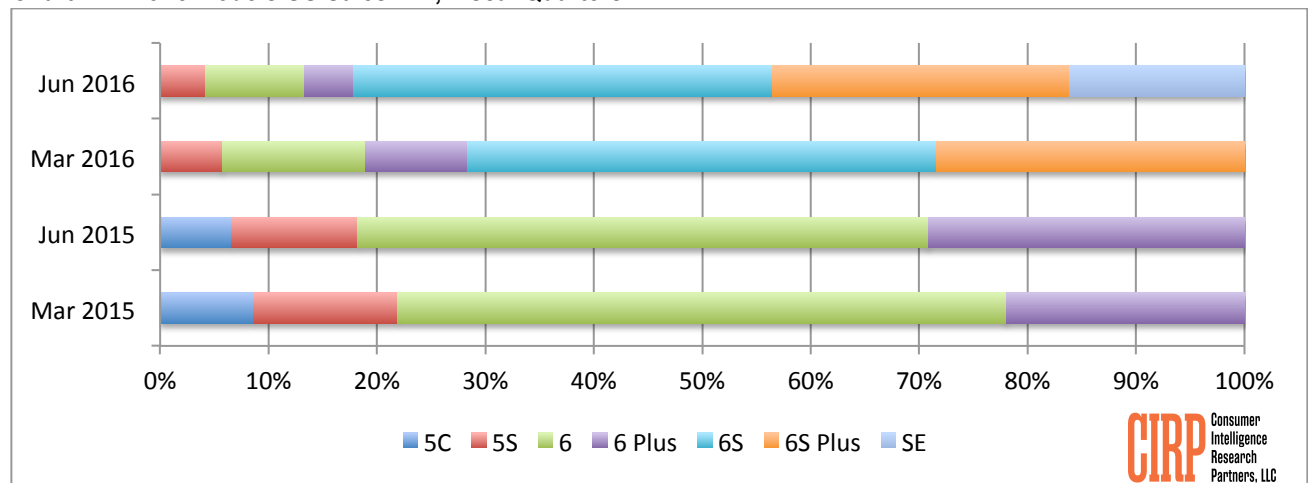
Owners of Older Models Upgrade to SE, Not 6/6S Series

CHICAGO, IL – Wednesday, July 20, 2016 - Consumer Intelligence Research Partners, LLC (CIRP), today released analysis of the results from its research on Apple, Inc. (NASDAQ:AAPL) for the fiscal quarter that ended June 25, 2015.

The June 2016 fiscal quarter represents the first quarter for the new iPhone SE, and the third full quarter after the launch of the iPhone 6s and 6s Plus models.

CIRP finds that the new iPhone SE accounted for 16% of total US iPhone sales, with iPhone 6S at 39% and iPhone 6S Plus at 26% (Chart 1).

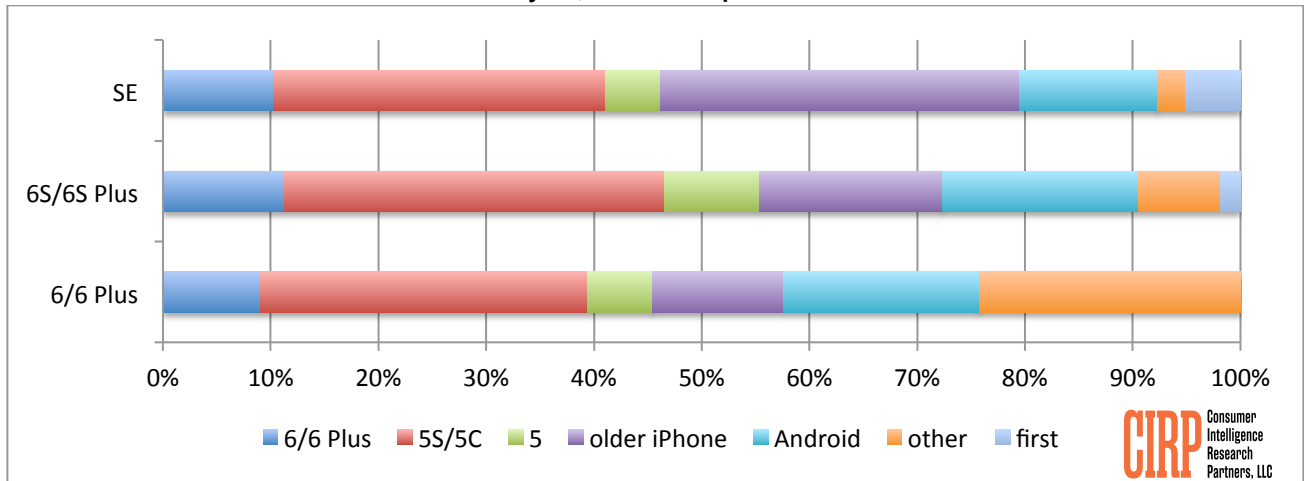
Chart 1: iPhone Models US Sales Mix, Fiscal Quarters



“In this quarter, the iPhone 6S and 6S Plus accounted for 65% of total sales,” said Josh Lowitz, CIRP Partner and Co-Founder. “In contrast, a year ago, in the June 2015 quarter, their predecessors, the iPhone 6 and 6 Plus had 82% of total sales. A year ago, the iPhone 6 and 6 Plus grew their share of total iPhone sales relative to the previous quarter, up from 78% in the March 2015 quarter. In this quarter, the iPhone 6S and 6S Plus saw their share shrink relative to the March 2016 quarter, from 71% to 65%. It appears the iPhone SE is a viable iPhone entry in the US market.”

Among iPhone SE buyers, 33% upgraded from an older iPhone, including iPhone 4S and prior. In comparison, 17% of iPhone 6S and 6S Plus buyers upgraded from an older iPhone, and 12% of iPhone 6 and 6 Plus buyers (Chart 2).

Chart 2: Previous OS and Model of iPhone Buyers, June 2016 quarter



“iPhone SE appears to have appealed to owners of much older iPhone, and less to switchers from Android and other operating systems,” said Mike Levin, Partner and Co-Founder of CIRP. “On the one hand, the SE may have persuaded these owners of older iPhones to upgrade to a new phone, and possibly remain with Apple iOS. On the other hand, with its much lower retail price, iPhone SE also may have diverted these customers from purchasing a more-expensive iPhone 6/6S series phone, which will likely lead to a lower ASP in the quarter.”

CIRP bases its findings on its survey of 500 US Apple customers, surveyed from June 27-July 13, 2016, that purchased an iPhone, iPad, or Mac in the US in April-June 2016 period. For additional information, please contact Mike Levin (mike@cirpllc.com) or Josh Lowitz (josh@cirpllc.com) at 312.344.3664. Further information on CIRP, which provides securities research to the investment community using advanced consumer market research strategies, methods, and techniques, is at www.cirpllc.com.

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