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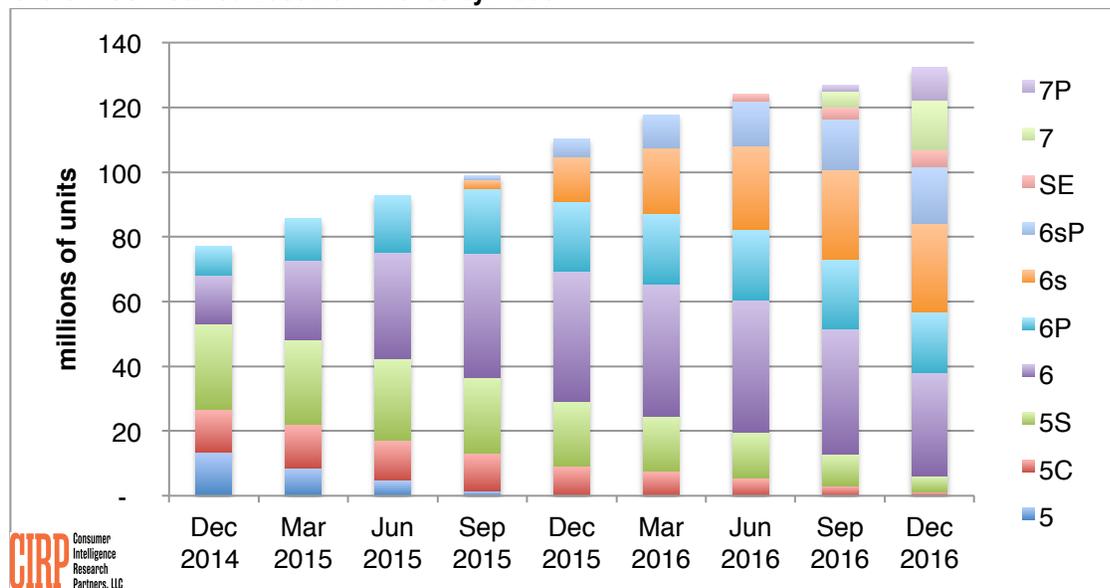
iPhone 7, 7 Plus Grow US Installed Base

Older iPhone 6 and 6 Plus Still Represent Significant Block of iPhone Owners

CHICAGO, IL – Thursday, February 2, 2017 - 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 December 31, 2016.

CIRP analysis indicates that the iPhone US installed base reached 132 million units as of the end of 2016 (Chart 1).

Chart 1: US Installed Based of iPhones by Model



Within the installed base, the new iPhone 7 and 7 Plus comprise 25 million units, or 19% of the total. The two year-old iPhone 6 and 6 Plus comprise 51 million units, or 38% of the total installed base.

“iPhone 7 and 7 Plus penetrated the US market slightly stronger, at 19% of the installed base, than the iPhone 6S and 6S Plus did a year ago, but not nearly at the level the iPhone 6 and 6 Plus did two years ago,” said Josh Lowitz, CIRP Partner and Co-

Founder. “At this time last year, the iPhone 6S and 6S Plus accounted for about 17% of the US installed based of iPhones, compared to an incredible 30% for the iPhone 6 and 6 Plus in December 2014.”

iPhone “Plus” models (6 Plus, 6S Plus, and 7 Plus) account for 35% of the installed base as of December 31, 2016, compared to 25% as of December 31, 2015.

“Apple continues to increase its sales of larger format phones,” said Mike Levin, Partner and Co-Founder of CIRP. “It appears to have overcome initial doubts about their appeal. And given their premium prices and a trend toward purchasing greater storage capacity among all iPhone buyers, this added meaningfully to revenues and gross margin.”

“The US installed base now consists almost entirely of phones that Apple has introduced since late 2014,” continued Lowitz. “With the lenthening ownership cycle, diminishing number of first-time buyers, and increased Android and IOS loyalty, Apple’s short-term fortunes will depend on how it can persuade this huge cohort of existing iPhone owners to upgrade to the next new models.”

CIRP bases its findings on its survey of 500 US Apple customers, surveyed from December 31, 2016-January 12, 2017 that purchased an iPhone, iPad, or Mac in the US in October-December 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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