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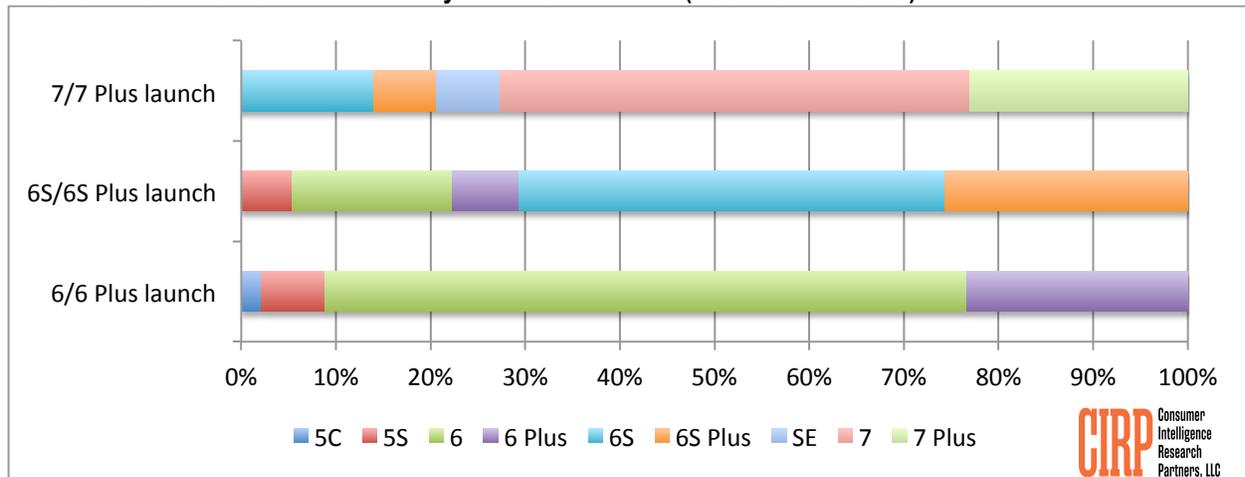
iPhone 7/7 Plus Launches Between 6/6 Plus, 6S/6S Plus

New Models Attract Existing iPhone Owners

CHICAGO, IL – November 16, 2016 - Consumer Intelligence Research Partners, LLC (CIRP), today released analysis of the results from its research on Apple, Inc. (NASDAQ:AAPL) with the first in-depth view of the iPhone 7 and 7 Plus launch on September 23, 2016.

CIRP finds that 73% of US iPhone buyers in the 30 days after the launch of new phones in September 2016 purchased the new iPhone 7 or 7 Plus (Chart 1).

iPhone Model Purchased Within 30 Days of iPhone Launch (last three launches)



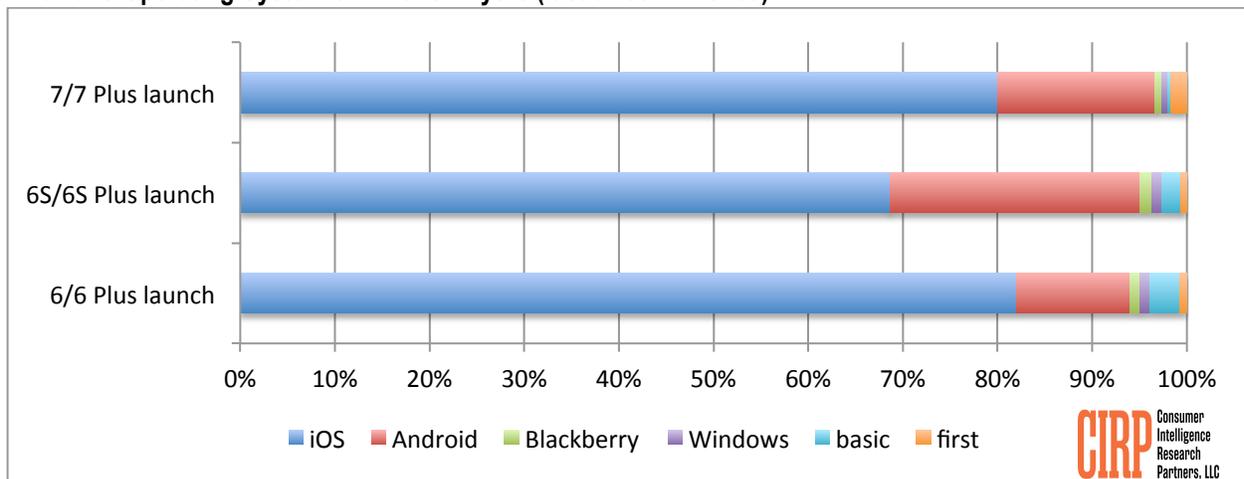
“The iPhone 7 and 7 Plus launch falls between the wildly-successful iPhone 6 and 6 Plus launch in 2014, and the somewhat disappointing launch of the iPhone 6S and 6S Plus in 2015,” said Josh Lowitz, CIRP Partner and Co-Founder. “The combined share for the 7 and 7 Plus launch is up slightly from the 71% share for the iPhone 6S and 6S Plus in 2015, and down considerably from the 81% share for the iPhone 6 and 6 Plus in 2014. The iPhone 6 and 6 Plus benefitted from a new form factor, a larger screen, and the introduction of the even larger and premium-priced Plus model.”

“Importantly, in the most recent launch, almost one-third of buyers purchased the Plus model, nearly the same proportion as in 2015, and higher than the one-quarter of buyers who did so in 2014,” continued Lowitz. “Average selling price and gross margins

suffered with the launch of the iPhone SE earlier this year, and which continues to account for a meaningful percentage of sales. We expect the strength of the higher-priced Plus phones will boost average selling prices and margins.”

Android owners accounted for a larger share of iPhone buyers (17%) compared to the iPhone 6 and 6 Plus launch but lower than the percentage compared to the iPhone 6S and 6S Plus launch (12%) (Chart 2). A smaller percentage of iPhone buyers come from outside of the existing iOS and Android operating systems. Former Blackberry and Windows phone owners, first-time smartphone buyers, and first-time mobile phone buyers, together account for fewer than 5% of iPhone buyers.

Previous Operating System of iPhone Buyers (last three launches)



“The two more successful iPhone launches in the last three years were driven by existing loyal iPhone owners who upgrade to a new iPhone model, and rely less on Android owners who switch to an iPhone,” said Mike Levin, Partner and Co-Founder of CIRP. “When Apple launched the less compelling iPhone 6S and 6S Plus models in 2015, existing iPhone owners essentially sat out the upgrade cycle. Then, 26% of iPhone buyers came from Android, while after the very successful iPhone 6 and 6 Plus launch in 2014, only 12% of new iPhone buyers can from Android.”

CIRP bases its findings on its survey of 300 US Apple customers, surveyed from October 18-31, 2016, that purchased an iPhone in the 30 days following the September 23, 2016 launch of the iPhone 7 and 7 Plus models. 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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