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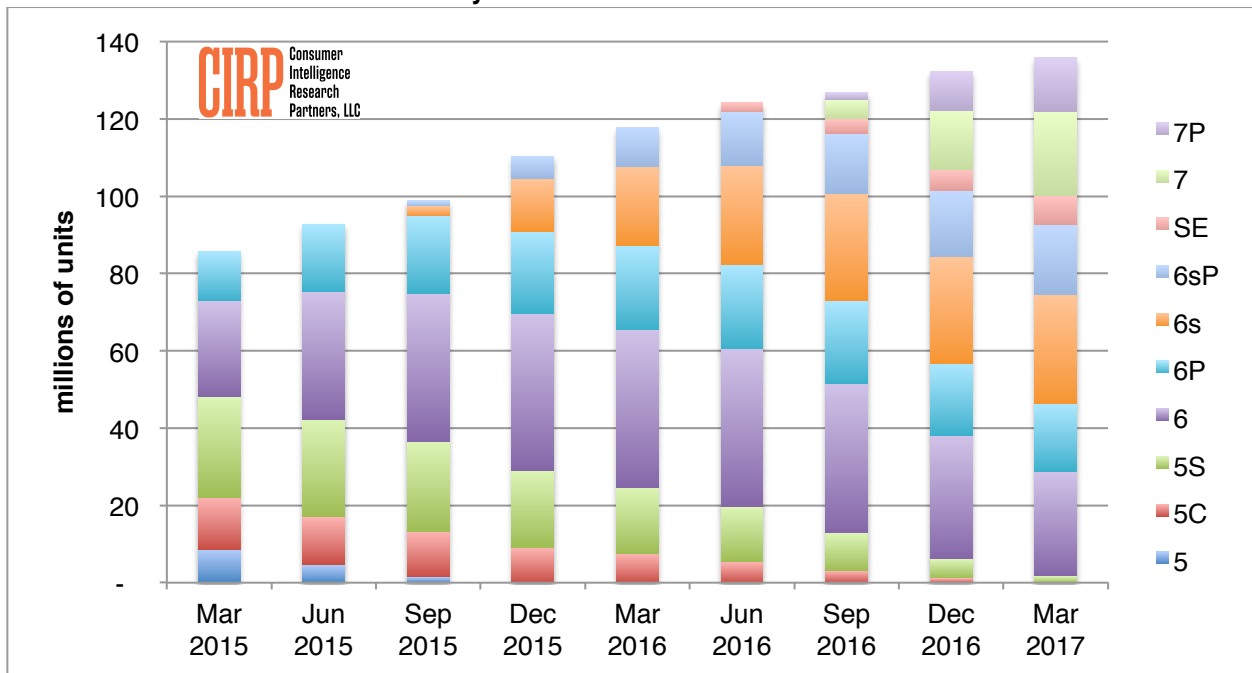
iPhone US Installed Base Growth Slows

Installed Base Almost Entirely iPhones Launched Since 6 and 6 Plus

CHICAGO, IL – Friday, May 5, 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 March 31, 2017.

CIRP analysis indicates that the iPhone US installed base reached 136 million units as of March 31, 2017, compared to 132 million units as of December 31, 2016 (Chart 1).

Chart 1: US Installed Based of iPhones by Model



Within the installed base, the new iPhone 7 and 7 Plus account for 36 million units, or 26% of the total. The 2015 release iPhone 6S and 6S Plus account for 45 million, or 34%, and the two year-old iPhone 6 and 6 Plus comprise 45 million units, or 33% of the total installed base.

“The Apple iPhone US installed base now consists almost entirely of iPhones introduced in the past 30 months,” said Josh Lowitz, CIRP Partner and Co-Founder. “The oldest of those phones, the iPhone 6 and 6 Plus, maintain a significant presence, following their powerful launch. Two quarters after their launch in 2014, the iPhone 6 and 6 Plus accounted for 44% of the iPhone installed base, and two years later they still comprise 33% of iPhones in use in the US. Two quarters after launch, the iPhone 7 and 7 Plus account for 26% of the installed base, and at the same point, the iPhone 6S and 6S also had a 26% share.”

As of March 31, 2017 the installed base grew 3% relative to the December 31, 2016 quarter and 15% relative to the March 31, 2016 quarter. For comparison, one year ago, the iPhone US installed base grew 7% over the prior quarter and 37% over the prior year.

“Growth in the US installed has slowed considerably in the past year,” added Mike Levin, Partner and Co-Founder of CIRP. “Many factors contribute to this, including the lengthening ownership cycle, a diminishing number of first-time buyers, and increased Android loyalty. It makes sense that Apple has turned to services revenue as it seeks to monetize this stable base of customers. The question remains, what is iPhone’s saturation level in less mature markets around the world, and to what extent growing service revenue can compensate for flattening US iPhone sales.”

At 50 million units, iPhone “Plus” models (6 Plus, 6S Plus, and 7 Plus) account for 37% of the installed base as of March 31, 2017, compared to 27% as of March 31, 2016.

“Apple continues to increase sales of larger format phones,” continued Lowitz. “Consumer affinity for the Plus models has shored up the average selling price and improved product margins.”

CIRP bases its findings on its survey of 500 US Apple customers, surveyed from April 1-22, 2017 that purchased an iPhone, iPad, or Mac in the US in January-March 2017 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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