Apple Inc.

Apple announces a new foldable iPhone "Duo" but specs largely as expected

Equities

United States
Computers

12-month rating	**Neutral**
12m price target	**US$296.00**
Price (09 Sep 2026)	**US$313.41**

RIC: AAPL.O **BBG:** AAPL US

Trading data and key metrics

52-wk range	US$340.08-226.79
Market cap.	US$4,593b
Shares o/s	14,656m (COM)
Free float	100%
Avg. daily volume ('000)	52,887
Avg. daily value (m)	US$16,308.5
Common s/h equity (09/26E)	US$115b
P/BV (09/26E)	39.6x
Net debt to EBITDA (09/26E)	0.1x

EPS (UBS, diluted) (USD)

	09/26E	
	UBS	**Cons.**
Q1	2.84	2.84
Q2	2.01	2.01
Q3	2.02	2.02
Q4E	1.97	1.98
09/26E	8.85	8.85
09/27E	9.57	9.61
09/28E	10.52	11.12

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A foldable iPhone enters a three model lineup largely as expected

Apple's "Surprise and shine" event largely met investor expectations, unveiling a foldable iPhone, the Duo, starting at $1,999. Although we had broadly anticipated the device (**link**), the Duo represents a notable form-factor change for the iPhone lineup. Apple also introduced a streamlined three-model lineup at its September event: the Pro, Pro Max, and Duo. Alongside the launches, Apple raised Pro and Pro Max prices by $100, in-line with our expectations. While this increase does not fully offset higher memory costs, we believe a larger $200 increase would have weighed on iPhone demand. In CY22, Apple raised European prices in response to higher component costs and a stronger U.S. dollar, contributing to softer demand from late CY22 into CY23 that persisted for nearly a year. Finally, the iPhone 18 Base, Air, and e variants will likely be launched early next year. Key announcements by iPhone 18 model:

- **Duo**: Starting at $1,999 with pre-orders beginning October 16th.
- **Pro Max**: Starting at $1,299, a $100 price increase YoY.
- **Pro**: Starting at $1,199, a $100 price increase YoY.

Supply chain checks suggest 8M-10M iPhone foldable builds

The Duo starts at $1,999, a material premium to the iPhone 17 Pro with 1TB of storage priced at $1,499, but closer to the iPhone 17 Pro Max with 2TB of storage priced at $1,999. We believe that the initial market for the Duo would likely be driven by existing Apple customers that purchase iPhones with upgraded specs. Moreover, demand for the Duo likely wouldn't be 100% incremental, as it is unlikely to attract switchers. Using TTM sell-through of the Samsung foldable/flip portfolio as a guide (~10M units), with ~3M units in the three months following a launch, we believe that Apple foldable units could be strong at launch with >5M units in FY26 given consumer loyalty. If a couple million Pro/Pro Max customers are siphoned off into the new form factor, incremental units could be ~6M, a ~2% tailwind to our 261M iPhone unit estimate in FY26.

Our iPhone estimates are unchanged

For the Sept-26 quarter, we estimate iPhone revenue / units of $55.9M (+14.0% YoY / Guide of mid-teens growth) / 55.0M (+2.8% YoY). For FY26, we estimate iPhone revenue / units of $252.4B (+20.4% YoY) / 261.0M (+15.4% YoY).

Valuation: Our PT of $296 is ~29x our blended CY27/CY28 EPS est of $10.31

Our $296 price target is ~29x our blended CY27/CY28 EPS est of $10.31. At ~29x, Apple shares would be trading roughly two turns below the trailing 12-month average, reflecting solid iPhone demand but increasingly more difficult gross margin headwinds and supply chain challenges.

Highlights (US$m)	09/23	09/24	09/25	09/26E	09/27E	09/28E	09/29E	09/30E
Revenues	383,285	391,035	416,161	477,021	512,782	546,149	572,005	588,590
EBIT (UBS)	114,301	123,216	133,050	156,536	164,186	176,477	186,520	192,309
Net earnings (UBS)	97,759	103,982	112,010	130,263	138,452	149,424	158,678	164,472
EPS (UBS, diluted) (US$)	6.18	6.75	7.46	8.85	9.57	10.52	11.38	12.00
DPS (net) (US$)	0.94	0.98	1.02	1.06	1.10	1.14	1.18	1.22
Net (debt) / cash	(49,533)	(41,458)	(43,960)	(12,115)	41,829	105,732	180,057	259,601
Profitability/valuation	**09/23**	**09/24**	**09/25**	**09/26E**	**09/27E**	**09/28E**	**09/29E**	**09/30E**
EBIT (UBS) margin %	29.8	31.5	32.0	32.8	32.0	32.3	32.6	32.7
ROIC (EBIT) %	>500	>500	>500	375.3	382.3	421.0	464.8	>500
EV/EBITDA (UBS core) x	20.1	21.9	23.0	27.3	26.4	24.8	24.0	23.8
P/E (UBS, diluted) x	26.2	28.8	30.0	35.8	33.1	30.1	27.9	26.4
Equity FCF (UBS) yield %	3.9	4.0	2.9	3.1	3.3	3.5	3.8	3.9
Dividend yield (net) %	0.6	0.5	0.5	0.3	0.3	0.4	0.4	0.4

Source: Company accounts, LSEG Eikon, UBS estimates. Metrics marked as (UBS) have had analyst adjustments applied. Valuations: based on an average share price that year, (E): based on a share price of US$ 317.16 on 09-Sep-2026 15:31:13 EDT

This report has been prepared by UBS Securities LLC. **ANALYST CERTIFICATION AND REQUIRED DISCLOSURES, INCLUDING INFORMATION ON THE QUANTITATIVE RESEARCH REVIEW PUBLISHED BY UBS, BEGIN ON PAGE 9.**

Figure 1: The Duo's specs were largely in-line with expectations in our view

	Ultra (expectations)	Duo (actuals)
Screen Size	5.5" exterior / 7.8" interior	5.4" exterior / 7.6" interior
Processor	A20 Pro	A20 Pro
Memory	12GB	Unspecified
Camera	No telephoto camera	No telephoto camera
Modem	C2 modem	C2 modem
ASP	$2,000	$1,999
Miscellaneous	Touch ID	Touch ID
	Split-view multitasking	Split-view multitasking

Source: Company data, UBS estimates

Figure 2: The Pro Max's changes were incremental and largely in-line...

	Pro Max (expectations)	Pro Max (actuals)
Screen Size	6.9"	6.9"
Processor	A20 Pro	A20 Pro
Memory	12GB	Unspecified
Camera	Light and depth adjustments	Light and depth adjustments
Modem	C2 modem	C2 modem
ASP	Potential $100 price increase	$100 price increase
Miscellaneous	Better battery life	Better battery life
	Improved vapor chambers	Improved vapor chambers

Source: Company data, UBS estimates

Figure 3: … as were updates to the Pro model in our view

	Pro (expectations)	Pro (actuals)
Screen Size	6.3"	6.3"
Processor	A20 Pro	A20 Pro
Memory	12GB	Unspecified
Camera	Light and depth adjustments	Light and depth adjustments
Modem	C2 modem	C2 modem
ASP	Potential $100 price increase	$100 price increase
Miscellaneous	Better battery life	Better battery life
	Improved vapor chambers	Improved vapor chambers

Source: Company data, UBS estimates

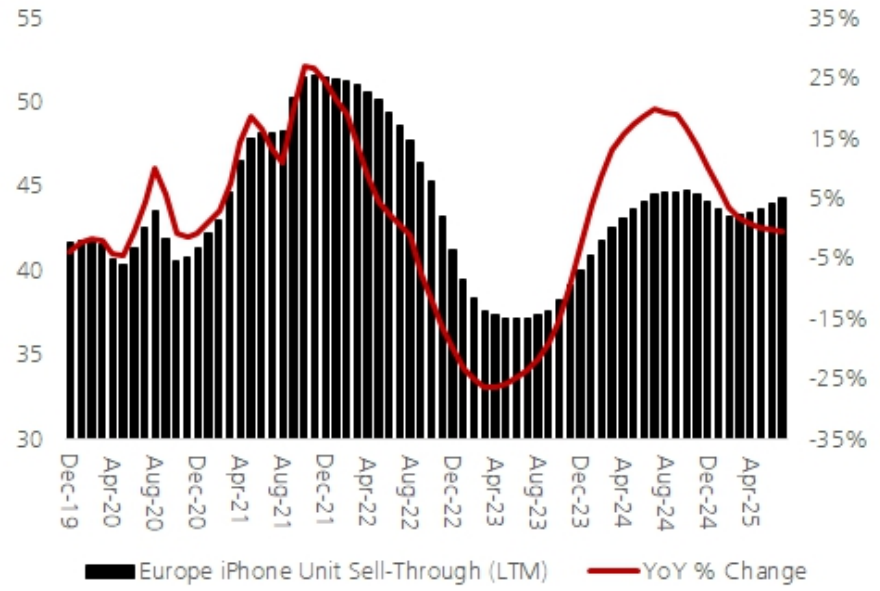
Pro and Pro Max prices prudently raised by $100

To help offset rising memory costs, Apple raised Pro and Pro Max prices by $100. The 256GB iPhone 18 Pro now starts at $1,199, while the 256GB iPhone 18 Pro Max starts at $1,299, each $100 above the comparable iPhone 17 model. Samsung and Google have also implemented similar increases of roughly $100 on their flagship smartphones. Although the higher prices modestly increase the risk of purchase deferrals or trade-downs to a lower-priced model, such as the base iPhone 18 expected next year, we believe the increase strikes a prudent balance between demand elasticity and gross margin pressure from higher component costs. In our view, a larger increase of roughly $200 per device would have materially weakened demand over the next three to six months, before lower-priced alternatives are expected to launch.

Carrier promos expected to be targeted with initial trade-in offers in-line

Our UBS telco team expects (**link**) the carriers to announce promotions in the coming days but believe that they will be targeted towards the more premium plans. Initial trade-in offers were largely in-line, with AT&T and T-Mobile offering up to $1,199 in credits compared to $1,099 last year. Considering that we estimate that 70% of US iPhones are sold through the US wireless channel, we believe that a more limited promotional environment could pose downside risk to iPhone demand.

Figure 4: iPhone price increases in Europe in CY22 illustrate the risk of demand destruction in our view

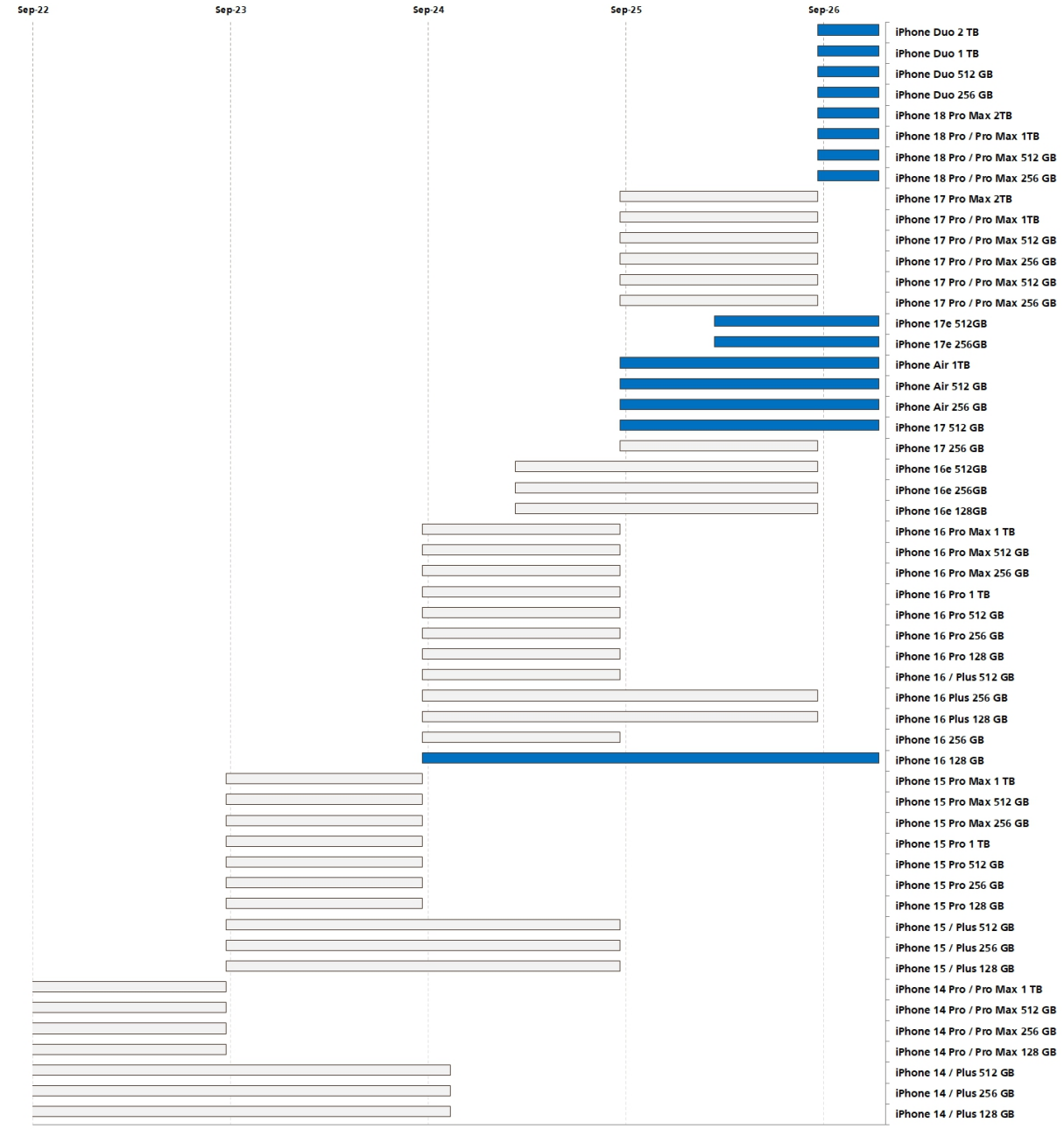


Source: Counterpoint and UBS estimates

Other announcements were marginal

The latest lineup of iPhones will come with iOS27, bringing a number of new AI-powered features announced during WWDC26 (**link**). However, the rollout of Siri AI will be in beta and geographically limited, with features not available in all regions and languages. Other hardware announcements included updates to AirPods and Apple Watches.

Figure 5: The iPhone lineup (blue shading = currently available)



Source: Company data, UBS estimates

Apple Inc. (AAPL.O)

Income Statement (US$m)	09/23	09/24	09/25	09/26E	%ch	09/27E	%ch	09/28E	09/29E	09/30E
Revenues	**383,285**	**391,035**	**416,161**	**477,021**	*14.6*	**512,782**	*7.5*	**546,149**	**572,005**	**588,590**
Gross profit	169,148	180,683	195,201	232,271	*19.0*	243,333	*4.8*	259,976	273,867	282,808
EBITDA (UBS)	**125,820**	**134,661**	**144,748**	**169,916**	*17.4*	**177,461**	*4.4*	**189,359**	**199,229**	**204,958**
Depreciation & amortisation	(11,519)	(11,445)	(11,698)	(13,380)	*-14.4*	(13,275)	*0.8*	(12,882)	(12,709)	(12,649)
EBIT (UBS)	**114,301**	**123,216**	**133,050**	**156,536**	*17.7*	**164,186**	*4.9*	**176,477**	**186,520**	**192,309**
Associates & investment income	0	0	0	0	-	0	-	0	0	0
Other non-operating income	382	1,269	1,229	2,780	*126.2*	3,418	*23.0*	3,418	3,418	3,418
Net interest	(183)	(1,000)	(1,550)	(1,724)	*-11.2*	(795)	*53.9*	135	1,240	2,431
Exceptionals (incl goodwill)	0	0	0	0	-	0	-	0	0	0
Pre-tax profit	**114,500**	**123,485**	**132,729**	**157,592**	*18.7*	**166,810**	*5.8*	**180,029**	**191,179**	**198,159**
Tax	(16,741)	(19,503)	(20,719)	(27,329)	*-31.9*	(28,358)	*-3.8*	(30,605)	(32,500)	(33,687)
Profit after tax	**97,759**	**103,982**	**112,010**	**130,263**	*16.3*	**138,452**	*6.3*	**149,424**	**158,678**	**164,472**
Preference dividends	0	0	0	0	-	0	-	0	0	0
Minorities	0	0	0	0	-	0	-	0	0	0
Extraordinary items	0	0	0	0	-	0	-	0	0	0
Net earnings (local GAAP)	**97,759**	**103,982**	**112,010**	**130,263**	*16.3*	**138,452**	*6.3*	**149,424**	**158,678**	**164,472**
Net earnings (UBS)	**97,759**	**103,982**	**112,010**	**130,263**	*16.3*	**138,452**	*6.3*	**149,424**	**158,678**	**164,472**
Tax rate (%)	14.6	15.8	15.6	17.3	*11.1*	17.0	*-2.0*	17.0	17.0	17.0

Per Share (US$)	09/23	09/24	09/25	09/26E	%ch	09/27E	%ch	09/28E	09/29E	09/30E
EPS (UBS, diluted)	6.18	6.75	7.46	8.85	*18.5*	9.57	*8.2*	10.52	11.38	12.00
EPS (local GAAP, diluted)	6.18	6.75	7.46	8.85	*18.5*	9.57	*8.2*	10.52	11.38	12.00
EPS (UBS, basic)	6.21	6.78	7.49	8.88	*18.5*	9.61	*8.2*	10.57	11.43	12.06
DPS (net) (US$)	0.94	0.98	1.02	1.06	*3.9*	1.10	*3.8*	1.14	1.18	1.22
Cash EPS (UBS, diluted) [1]	6.91	7.49	8.24	9.76	*18.3*	10.49	*7.5*	11.43	12.29	12.92
Book value per share	3.96	3.74	4.96	7.91	*59.3*	11.76	*48.7*	16.45	21.95	28.03
Average shares (diluted)	15,813	15,408	15,005	14,724	*-1.9*	14,468	*-1.7*	14,200	13,947	13,709

Balance Sheet (US$m)	09/23	09/24	09/25	09/26E	%ch	09/27E	%ch	09/28E	09/29E	09/30E
Cash and equivalents	61,555	65,171	54,697	72,229	*32.1*	126,173	*74.7*	190,076	264,401	343,945
Other current assets	82,011	87,816	93,260	104,550	*12.1*	108,247	*3.5*	113,647	116,670	118,939
Total current assets	**143,566**	**152,987**	**147,957**	**176,779**	*19.5*	**234,420**	*32.6*	**303,723**	**381,070**	**462,884**
Net tangible fixed assets	43,715	45,680	49,834	50,552	*1.4*	48,654	*-3.8*	47,752	47,449	47,417
Net intangible fixed assets	0	0	0	0	-	0	-	0	0	0
Investments / other assets	165,302	166,313	161,450	176,178	*9.1*	181,243	*2.9*	187,393	192,326	196,928
Total assets	**352,583**	**364,980**	**359,241**	**403,509**	*12.3*	**464,317**	*15.1*	**538,869**	**620,845**	**707,229**
Trade payables & other ST liabilities	129,501	155,513	145,302	158,032	*8.8*	163,369	*3.4*	172,041	179,751	186,503
Short term debt	15,807	20,879	20,329	13,004	*-36.0*	13,004	*0.0*	13,004	13,004	13,004
Total current liabilities	**145,308**	**176,392**	**165,631**	**171,036**	*3.3*	**176,373**	*3.1*	**185,045**	**192,755**	**199,507**
Long term debt	95,281	85,750	78,328	71,340	*-8.9*	71,340	*0.0*	71,340	71,340	71,340
Other long term liabilities	49,848	45,888	41,549	45,684	*10.0*	48,198	*5.5*	51,250	53,698	55,981
Preferred shares	0	0	0	0	-	0	-	0	0	0
Total liabilities (incl pref shares)	**290,437**	**308,030**	**285,508**	**288,060**	*0.9*	**295,911**	*2.7*	**307,634**	**317,793**	**326,828**
Common s/h equity	**62,146**	**56,950**	**73,733**	**115,449**	*56.6*	**168,406**	*45.9*	**231,235**	**303,053**	**380,402**
Minority interests	0	0	0	0	-	0	-	0	0	0
Total liabilities & equity	**352,583**	**364,980**	**359,241**	**403,509**	*12.3*	**464,317**	*15.1*	**538,869**	**620,845**	**707,229**

Cash Flow (US$m)	09/23	09/24	09/25	09/26E	%ch	09/27E	%ch	09/28E	09/29E	09/30E
Net income (before pref divs)	97,759	103,982	112,010	130,263	*16.3*	138,452	*6.3*	149,424	158,678	164,472
Depreciation & amortisation	11,519	11,445	11,698	13,380	*14.4*	13,275	*-0.8*	12,882	12,709	12,649
Net change in working capital	(8,804)	1,385	(25,089)	(3,942)	*84.3*	(911)	*76.9*	173	2,203	2,164
Other operating	10,833	11,688	12,863	13,924	*8.2*	13,604	*-2.3*	13,604	13,604	13,604
Operating cash flow	**111,307**	**128,500**	**111,482**	**153,625**	*37.8*	**164,421**	*7.0*	**176,084**	**187,194**	**192,889**
Tangible capital expenditure	(10,959)	(9,447)	(12,715)	(9,327)	*26.6*	(11,377)	*-22.0*	(11,981)	(12,405)	(12,618)
Intangible capital expenditure	0	0	0	0	-	0	-	0	0	0
Net (acquisitions) & disposals	0	0	0	0	-	0	-	0	0	0
Other investing	14,664	12,382	27,910	(12,012)	-	0	-	0	0	0
Investing cash flow	**3,705**	**2,935**	**15,195**	**(21,339)**	-	**(11,377)**	*46.7*	**(11,981)**	**(12,405)**	**(12,618)**
Equity dividends paid	(15,025)	(15,234)	(15,421)	(15,716)	*-1.9*	(15,848)	*-0.8*	(16,116)	(16,380)	(16,643)
Share issues / (buybacks)	(77,550)	(94,949)	(90,711)	(82,427)	*9.1*	(83,252)	*-1.0*	(84,084)	(84,084)	(84,084)
Other financing	(6,012)	(5,802)	(6,071)	(12,557)	*-106.8*	0	-	0	0	0
Change in debt & pref shares	(9,901)	(5,998)	(8,483)	(8,146)	*4.0*	0	-	0	0	0
Financing cash flow	**(108,488)**	**(121,983)**	**(120,686)**	**(118,846)**	*1.5*	**(99,099)**	*16.6*	**(100,200)**	**(100,465)**	**(100,727)**
Cash flow inc/(dec) in cash	**6,524**	**9,452**	**5,991**	**13,440**	*124.3*	**53,944**	*301.4*	**63,903**	**74,325**	**79,544**
FX / non cash items	6,727	(5,836)	(16,465)	4,092	-	0	-	0	0	0
Balance sheet inc/(dec) in cash	**13,251**	**3,616**	**(10,474)**	**17,532**	-	**53,944**	*207.7*	**63,903**	**74,325**	**79,544**

Source: Company accounts, UBS estimates. (UBS) metrics use reported figures which have been adjusted by UBS analysts.[1] Cash EPS (UBS, diluted) is calculated using UBS net income adding back depreciation and amortization.

Apple Inc. (AAPL.O)

Valuation (x)	09/23	09/24	09/25	09/26E	09/27E	09/28E	09/29E	09/30E
P/E (local GAAP, diluted)	26.2	28.8	30.0	35.4	32.8	29.8	27.5	26.1
P/E (UBS, diluted)	26.2	28.8	30.0	35.4	32.8	29.8	27.5	26.1
P/CEPS	23.3	25.8	27.0	32.3	30.0	27.5	25.6	24.4
Equity FCF (UBS) yield %	3.9	4.0	2.9	3.1	3.3	3.6	3.8	3.9
Dividend yield (net) %	0.6	0.5	0.5	0.3	0.4	0.4	0.4	0.4
P/BV	40.9	51.9	45.1	40.0	26.9	19.2	14.4	11.3
EV/revenues (core)	6.6	7.5	8.0	9.7	9.1	8.6	8.3	8.3
EV/EBITDA (UBS core)	20.1	21.9	23.0	27.2	26.3	24.8	24.0	23.7
EV/EBIT (core)	22.1	23.9	25.1	29.5	28.4	26.6	25.6	25.3
EV/OpFCF (core)	20.4	23.8	21.2	28.1	27.9	26.5	25.9	25.5
EV/op. invested capital	>100	>100	>100	>100	>100	>100	>100	>100

Enterprise value (US$m)	09/23	09/24	09/25	09/26E	09/27E	09/28E	09/29E	09/30E
Market cap.	2,577,149	3,000,573	3,367,402	4,593,316	4,593,316	4,593,316	4,593,316	4,593,316
Net debt (cash)	49,533	41,458	43,960	28,038	(14,857)	(73,781)	(73,781)	(73,781)
Buy out of minorities	0	0	0	0	0	0	0	0
Pension provisions/other	0	0	0	0	0	0	0	0
Total enterprise value	**2,626,682**	**3,042,031**	**3,411,362**	**4,666,792**	**4,707,149**	**4,732,309**	**4,816,393**	**4,900,477**
Non core assets	(100,544)	(91,479)	(77,723)	(84,118)	(84,118)	(84,118)	(84,118)	(84,118)
Core enterprise value	**2,526,138**	**2,950,552**	**3,333,639**	**4,582,674**	**4,623,031**	**4,648,191**	**4,732,275**	**4,816,359**

Growth (%)	09/23	09/24	09/25	09/26E	09/27E	09/28E	09/29E	09/30E
Revenue	(2.8)	2.0	6.4	14.6	7.5	6.5	4.7	2.9
EBITDA (UBS)	(3.6)	7.0	7.5	17.4	4.4	6.7	5.2	2.9
EBIT (UBS)	(4.3)	7.8	8.0	17.7	4.9	7.5	5.7	3.1
EPS (UBS, diluted)	1.1	9.2	10.6	18.5	8.2	10.0	8.1	5.5
Net DPS	4.4	4.3	4.1	3.9	3.8	3.6	3.5	3.4

Margins & Profitability (%)	09/23	09/24	09/25	09/26E	09/27E	09/28E	09/29E	09/30E
Gross profit margin	44.1	46.2	46.9	48.7	47.5	47.6	47.9	48.0
EBITDA margin	32.8	34.4	34.8	35.6	34.6	34.7	34.8	34.8
EBIT (UBS) margin	29.8	31.5	32.0	32.8	32.0	32.3	32.6	32.7
Net earnings (UBS) margin	25.5	26.6	26.9	27.3	27.0	27.4	27.7	27.9
ROIC (EBIT)	NM	NM	NM	NM	NM	NM	NM	NM
ROIC post tax	NM	NM	NM	NM	NM	NM	NM	NM
ROE (UBS)	173.3	174.6	171.4	137.7	97.6	74.8	59.4	48.1

Capital structure & Coverage (x)	09/23	09/24	09/25	09/26E	09/27E	09/28E	09/29E	09/30E
Net debt / EBITDA	0.4	0.3	0.3	0.1	(0.2)	(0.6)	(0.9)	(1.3)
Net debt / total equity %	79.7	72.8	59.6	10.5	(24.8)	(45.7)	(59.4)	(68.2)
Net debt / (net debt + total equity) %	44.4	42.1	37.4	9.5	(33.0)	(84.2)	NM	NM
Net debt/EV %	2.3	1.5	1.3	0.6	(0.3)	(1.6)	(3.0)	(4.5)
Capex / depreciation %	95.1	82.5	108.7	69.7	85.7	93.0	97.6	99.8
Capex / revenue %	2.9	2.4	3.1	2.0	2.2	2.2	2.2	2.1
EBIT / net interest	NM	NM	NM	NM	NM	-	-	-
Dividend cover (UBS)	6.6	6.9	7.3	8.4	8.7	9.3	9.7	9.9
Div. payout ratio (UBS) %	15.1	14.5	13.6	11.9	11.4	10.8	10.3	10.1

Revenues by division (US$m)	09/23	09/24	09/25	09/26E	09/27E	09/28E	09/29E	09/30E
Others	383,285	391,035	416,161	477,021	512,782	546,149	572,005	588,590
Total	**383,285**	**391,035**	**416,161**	**477,021**	**512,782**	**546,149**	**572,005**	**588,590**

EBIT (UBS) by division (US$m)	09/23	09/24	09/25	09/26E	09/27E	09/28E	09/29E	09/30E
Others	114,301	123,216	133,050	156,536	164,186	176,477	186,520	192,309
Total	**114,301**	**123,216**	**133,050**	**156,536**	**164,186**	**176,477**	**186,520**	**192,309**

Source: Company accounts, UBS estimates. (UBS) metrics use reported figures which have been adjusted by UBS analysts.



Forecast returns

Forecast price appreciation	-5.6%
Forecast dividend yield	0.4%
Forecast stock return	-5.2%
Market return assumption	9.4%
Forecast excess return	-14.6%

Company Description

Apple designs, manufactures and markets mobile products, personal computers and media devices. The company's primary hardware product categories include the iPhone, iPad, iPod, and Mac computers. In addition, the company sells a variety of related software, services, peripherals, and third-party digital content and applications via iTunes and the App Store. Apple predominately sells to the consumer segment through its own online and retail stores, as well as third-party cellular network carriers, wholesalers and retailers.

Valuation Method and Risk Statement

Risks to our Apple thesis include (1) product delays or less innovative offerings, particularly a decline in iPhone unit shipments; (2) macro weakness dampening product demand, especially in China; (3) reduced product differentiation resulting in a successful smartphone attack from below; (4) governments looking to regulate Apple as its power increases; and (5) poor platform management. We use a P/E multiple to derive our price target for Apple.

Quantitative Research Review

UBS Global Research publishes a quantitative assessment of its analysts' responses to certain questions about the likelihood of an occurrence of a number of short term factors in a product known as the 'Quantitative Research Review'. The views for this month can be found below. Views contained in this assessment on a particular stock reflect only the views on those short term factors which are a different timeframe to the 12-month timeframe reflected in any equity rating set out in this note. For previous responses please make reference to (i) previous UBS Global Research reports; and (ii) where no applicable research report was published that month, the Quantitative Research Review which can be found at https://neo.ubs.com/quantitative, or contact your UBS sales representative for access to the report or the Quantitative Research Team on ubs-quant-answers@ubs.com. A consolidated report which contains all responses is also available and again you should contact your UBS sales representative for details and pricing or the Quantitative Research Team on the email above.

Apple Inc.

Question	Response
1. Is the industry structure facing the firm likely to improve or deteriorate over the next six months? Rate on a scale of 1-5 (1 = getting worse, 3 = no change, 5 = getting better, N/A = no view)	4
2. Is the regulatory/government environment facing the firm likely to improve or deteriorate over the next six months? Rate on a scale of 1-5 (1 = getting tougher 3 = no change, 5 = getting better, N/A = no view)	2
3. Over the last 3-6 months in broad terms have things been improving/no change/getting worse for this stock? Rate on a scale of 1-5 (1 = getting a lot worse, 3 = not much change, 5 = getting a lot better, N/A = no view)	3
4. Relative to the current CONSENSUS EPS forecast, is the next company EPS update likely to lead to: (1 = negative surprise vs consensus, 3 = in-line with consensus, 5 = positive surprise vs consensus expectations, N/A = no view)	3
5. What's driving the difference?	
6. Relative to YOUR current earnings forecast, is there relatively greater risk at the next earnings result of:(1 = downside skew risk to earnings, 3 = equal upside or downside risk to earnings, 5 = upside skew risk to earnings, N/A = no view)	3
7. What's driving the difference?	
8. Is there an upcoming catalyst for the company over the next three months?	No Catalyst
9. Is there an actual or approximate date for the catalyst?	
10. Is the catalyst date an actual or approximate date?	
11. What is the catalyst?	