SECURITIES AND EXCHANGE COMMISSION

FORM 424B5

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FILER

APPLE COMPUTER INC

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Business Address
20525 MARIANI AVE
CUPERTINO CA 95014
4089961010

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FILED PURSUANT TO
RULE 424(B)5

SUBJECT TO COMPLETION, DATED JANUARY 24, 1994

PROSPECTUS SUPPLEMENT TO PROSPECTUS DATED MAY 27, 1993

$300,000,000

(LOGO)

APPLE COMPUTER, INC.
% NOTES DUE 2004

Interest on the Notes is payable on and of each year, commencing , 1994. The Notes are redeemable in whole or in part at the option of the Company at any time at 100% of the principal amount thereof, together with accrued interest thereon, plus a Make-Whole Premium, if any. See "Description of Notes."

The Notes will be represented by one or more Global Notes registered in the name of a nominee of The Depository Trust Company, as Depositary. Beneficial interests in the Global Notes will be shown on, and transfers thereof will be effected only through, records maintained by the Depositary and its participants. Except as described under "Description of Notes -- Book-Entry System" herein and under "Description of Securities -- Description of Debt Securities -- Book-Entry System" in the accompanying Prospectus, owners of beneficial interests in the Global Notes will not be entitled to receive Notes in definitive form and will not be considered the holders thereof. Settlement for the Notes will be made in same-day funds. The Notes will trade in the Depositary's Same-Day Funds Settlement System until maturity, and secondary market trading activity in the Notes will therefore settle in same-day funds. See "Description of Notes -- Same-Day Settlement."

THESE SECURITIES HAVE NOT BEEN APPROVED OR DISAPPROVED BY THE SECURITIES AND EXCHANGE COMMISSION OR ANY STATE SECURITIES COMMISSION NOR HAS THE SECURITIES AND EXCHANGE COMMISSION OR ANY STATE SECURITIES COMMISSION PASSED UPON THE ACCURACY OR ADEQUACY OF THIS PROSPECTUS SUPPLEMENT OR THE PROSPECTUS. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.

<TABLE>
<CAPTION>

	PRICE TO PUBLIC(1)	UNDERWRITING DISCOUNT(2)	PROCEEDS TO COMPANY(1)(3)
<S>	<C>	<C>	<C>
Per Note..................	%	%	%
Total.....................	$	$	$

</TABLE>

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(1) Plus accrued interest, if any, from February , 1994.

(2) The Company has agreed to indemnify the Underwriters against certain liabilities, including liabilities under the Securities Act of 1933.

(3) Before deducting estimated expenses of $ payable by the Company.

The Notes are offered severally by the Underwriters, as specified herein, subject to receipt and acceptance by them and subject to their right to reject any order in whole or in part. It is expected that delivery of the Notes will be made in book-entry form only to the facilities of The Depository Trust Company on or about February , 1994.

GOLDMAN, SACHS & CO.
CITICORP SECURITIES, INC.
CS FIRST BOSTON
MORGAN STANLEY & CO.
INCORPORATED

The date of this Prospectus Supplement is February , 1994.

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DECnet is a trademark of Digital Equipment Corporation. MS-DOS and Windows are trademarks of Microsoft Corporation. PowerPC is a trademark of International Business Machines Corporation. UNIX is a registered trademark of UNIX Systems Laboratories, Inc. This Prospectus Supplement also includes trademarks of other companies.

IN CONNECTION WITH THIS OFFERING, THE UNDERWRITERS MAY OVER-ALLOT OR EFFECT TRANSACTIONS WHICH STABILIZE OR MAINTAIN THE MARKET PRICE OF THE NOTES OFFERED HEREBY AT A LEVEL ABOVE THAT WHICH MIGHT OTHERWISE PREVAIL IN THE OPEN MARKET. SUCH STABILIZING, IF COMMENCED, MAY BE DISCONTINUED AT ANY TIME.

THE COMPANY

OVERVIEW

Apple Computer, Inc. is one of the world's leading personal computer technology companies. The Company develops and manufactures products that it markets and sells in the United States and more than 120 other countries. In its fiscal quarter ended December 31, 1993, Apple generated 55% of its net sales from the United States and 45% from international markets. For information concerning factors that may affect Apple's future operating results and financial condition, see "Management's Discussion and Analysis of Financial Condition and Results of Operations -- Factors That May Affect Future Results and Financial Condition."

Apple Computer, Inc. was incorporated under the laws of the State of California on January 3, 1977. The Company's principal executive offices are located at 20525 Mariani Avenue, Cupertino, California 95014 and its telephone number is (408) 996-1010. References in this Prospectus Supplement to "Apple" or the "Company" mean Apple Computer, Inc. together with its subsidiaries, unless the context otherwise requires.

COMPANY BACKGROUND AND STRATEGY

The Company's strategy is to expand its market share in the personal computing ("PC") industry while developing and expanding into new related businesses such as Personal Interactive Electronics and Apple Business Systems. See "Products and Businesses." Substantially all of the Company's net sales to date have been derived from the sale of personal computers and related software and peripherals. The Apple(R) Macintosh(R) and Apple Macintosh PowerBook(R) computers are the core product lines in this business. From Apple's introduction of the Apple Macintosh in January 1984 through the end of December 1993, more than 12 million Macintosh personal computers have been shipped. As of the end of calendar 1993, there were more than 5,000 software applications for a wide variety of computing tasks (including word processing, statistical analysis, desktop publishing, database management, and three-dimensional modeling) available on the Macintosh platform.

According to independent PC market research data, the Company's unit share of the worldwide PC market is estimated to be 10% in calendar 1993 compared with 7% in calendar 1990. The Company believes that it must continue to increase its market share in order to continue to be a successful participant in the PC industry. The Company intends to pursue this objective by offering PC products that incorporate superior technologies at competitive prices. Concurrently, the Company is working to reduce operating expenses throughout its operations and focus its research and development investments on activities that it believes will enhance its competitive position in the marketplace.

Average selling prices ("ASPs") for substantially all of the Company's personal computers have declined significantly over the course of the past several quarters. For example, the ASP for the Macintosh LC II, one of the Company's entry-level color computers, declined 44% in the first quarter of fiscal 1994 compared with the first quarter of fiscal 1993. The ASP for the Macintosh Quadra(R) 950, the Company's highest-priced personal computer, declined 34% during the same period. The Company believes that these price reductions have contributed to market share gains by the Company in the PC industry during this period. Although ASPs for individual models of personal computers have declined significantly over the course of the past several

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quarters, the average aggregate revenue per Macintosh computer unit declined only 12% in the first quarter of fiscal 1994 over the comparable period of 1993, reflecting a shift in user buying patterns to higher performance systems.

To offset declines in gross margins resulting from reduced ASPs and in response to continuing industrywide pricing pressures over the past several quarters, the Company has implemented steps to reduce its operating expenses, both in amount and as a percentage of net sales. As a result of these steps, total operating expenses in the first quarter of fiscal 1994 were $527 million (21.4% of net sales) compared with $570 million (28.5% of net sales) in the first quarter of fiscal 1993. In the

third quarter of fiscal 1993, the Company initiated a restructuring of its operations as part of its ongoing efforts to lower its cost structure. This restructuring included plans to terminate approximately 2,500 employees, relocate certain Company functions to lower-cost geographic locations, and eliminate certain projects and activities. The restructuring resulted in a charge of $321 million in the third quarter of fiscal 1993. See "Management's Discussion and Analysis of Financial Condition and Results of Operations -- Year-to-Year Comparison -- Results of Operations -- Operating Expenses."

The Company's inventory levels increased substantially during fiscal 1993 from approximately $580 million at the end of fiscal 1992 to approximately $1.51 billion at the end of fiscal 1993 in support of its expanded product line and distribution channels and anticipated higher sales volumes. During the first quarter of fiscal 1994, inventory levels declined by approximately $168 million to approximately $1.34 billion, primarily as a result of improved inventory management and increased sales resulting from pricing and promotional actions. The Company has also identified additional measures to enhance its management of working capital, including the implementation of long-term financing arrangements (such as the sale of the Notes offered hereby), and long-term measures designed to improve inventory management, such as increased emphasis on designing-in commonality of parts among products, increased use of manufacturing-on-demand techniques based on product orders rather than forecasts, and greater rationalization of product offerings. See "Management's Discussion and Analysis of Financial Condition and Results of Operations -- Liquidity and Capital Resources."

As part of its goal to offer PC products that incorporate superior technology at competitive prices, the Company plans to begin introducing personal computers that are based on the PowerPC(R) architecture, a new Reduced Instruction Set Computing ("RISC") microprocessor design, in the first half of calendar 1994. These computers are expected to yield significant improvements in performance and functionality compared with the Company's current products. See "Products and Businesses -- PowerPC-based Personal Computers."

The Company's strategy is also to use its position as a leading personal computer technology company to participate in emerging technology markets. For example, the Company believes that with its experience in the areas of communications, mobile computing, and miniaturization, it is well positioned to become a leader in developing and marketing personal communications products, such as personal digital assistants ("PDAs"). See "Products and Businesses -- Personal Interactive Electronics."

PRODUCTS AND BUSINESSES

PERSONAL COMPUTING PRODUCTS

Unlike most other companies in the PC industry, Apple develops and markets both personal computer hardware and the related operating system software. This combination enables the Company to design well-integrated computer products that provide superior ease-of-use in both set-up and operation. According to a leading independent PC market research firm, ownership costs (including the initial hardware and software costs; training and support; and the time a user spends learning new software applications) are significantly lower for Macintosh users than for users of other leading PC platforms.

Apple's personal computers also feature "plug and play" capabilities. For example, every Macintosh computer includes built-in networking capabilities ("AppleTalk(R)") which enable users to connect their Macintosh computers together in an AppleTalk network to share printers and files by plugging in one low-cost cable without the need for any additional hardware or software. Macintosh computers can also be connected to other personal computers, minicomputers, and mainframes by means of other leading network environments such as DECnet(TM), TCP/IP, SNA, APPC, 3270, and X.25.

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The Company also markets a wide range of printers, monitors, scanners, and operating system software. Additionally, the Company markets a variety of interoperability, networking, and communications products that enable the integration of Macintosh systems into different computing environments such as MS/DOS(TM), Windows(TM), and UNIX(R). These products are supported by thousands of independent hardware and software developers.

Apple's broad range of PC products enables the Company to reach a wide variety of market segments, including those in education; home; small, medium, and large business organizations; and local, state, and federal government organizations. The Company's current line of PC products is based on the Motorola, Inc. ("Motorola") 68000-series of microprocessors and includes the Classic, LC, Performa, Quadra, and PowerBook families of Macintosh personal computers.

CURRENT PC PRODUCT FAMILIES

Macintosh Classic

The Classic family of personal computers offers a compact design and is well-suited for commonly-performed functions such as word processing, spreadsheet modeling, database management, and personal finance. These products are the Company's most affordable personal computer systems and are designed to appeal to first-time personal computer buyers.

Macintosh LC

The LC family of personal computers offers high performance and competitive prices in a flexible, modular design. LC personal computers are well suited for education and business applications such as color presentations and spreadsheets. LC products are also capable of running the Apple IIe applications currently used by a large number of primary and secondary schools.

Macintosh Performa

The Macintosh Performa(TM) family of personal computers is designed to appeal to first-time personal computer buyers. These products feature all-in-one box computing solutions, including software and hardware designed specifically with home users in mind. Performa products also include in-home service and unlimited toll-free telephone support. The Performa family is distributed through a wide variety of retail outlets, including national mass merchandisers, such as Sears and Wal-Mart, and computer superstores (high volume retail stores that specialize in high technology products or office equipment).

Macintosh Quadra

The Quadra family of personal computers includes the most powerful desktop products in the Macintosh line and is targeted at business and professional users. Quadra personal computers include a wide variety of built-in features that make them well-suited for activities such as color publishing, multi-user accounting, three-dimensional modeling, computer-aided design (CAD), and computer-aided engineering (CAE).

PowerBook

The PowerBook family of notebook personal computers is specifically designed for mobile computing needs. All PowerBook personal computers include the capability to connect to Macintosh desktop personal computers and AppleTalk networks and, therefore, to access files and services that are located remotely; they also offer the capability to transmit facsimiles. The PowerBook family has become one of the most popular personal computer families in the industry. In the first year following their introduction in 1991, sales of PowerBook personal computers surpassed $1 billion. As of December 31, 1993, the Company had shipped more than one million PowerBooks.

POWERPC-BASED PERSONAL COMPUTERS

During the first half of calendar 1994, the Company plans to introduce its first personal computers based on the PowerPC architecture, a new RISC microprocessor design. The PowerPC microprocessor family is a result of a joint development effort by Apple, International Business Machines Corporation ("IBM"), and Motorola. Apple intends to use the PowerPC in its products for

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several strategic reasons, including the expected price/performance ratio and the potential for PowerPC to become a common standard used by Apple, IBM and other industry leaders.

The Company's PowerPC-based products are expected to yield significant improvements in price/performance and functionality compared with the Company's current products (which are based on the Motorola 68000-series of Complex Instruction Set Computing ("CISC") microprocessors). The Company believes that these expected improvements will provide the Company with opportunities to increase the functionality of its operating system software platform and attract new developers and customers to the Company's hardware platform.

The Company intends to provide most of its current installed base of Macintosh CISC-based platform users a competitively-priced upgrade path to the Company's PowerPC-based products. Further, the Company intends to incorporate in its PowerPC-based products an emulation capability that will allow them to run existing CISC-based software. The Company's research and testing indicates that the vast majority of current Macintosh software applications will run on the Company's PowerPC-based products in emulation mode with performance equivalent to the Company's existing high-end CISC-based products.

The Company expects a number of third-party developers to publish new versions of commonly-used software applications specifically designed for the PowerPC-based products ("native versions"). Apple expects that a number of these native versions will be made available by third-party developers when Apple introduces its first PowerPC-based products in the first half of calendar 1994. These new native versions are expected to provide substantial improvements in system performance.

APPLE BUSINESS SYSTEMS

In 1991, the Company established a division, now called Apple Business Systems, to focus on the client/server computing environments of large organizations. The objective of this division is to develop, distribute, and support hardware and software products that will operate in mixed computing environments as well as in the Macintosh environment.

During fiscal 1993, the Company introduced several competitively-priced, high-performance hardware and software products particularly suited for server applications. These products are currently designed to address the client/server needs of Macintosh-based computer network environments. Apple plans to expand its hardware and connectivity software product offerings to other leading network operating system environments with additional competitively-priced client and server products. Many of these product offerings are planned to be based on the PowerPC microprocessor and operate in the UNIX environment.

PERSONAL INTERACTIVE ELECTRONICS

Apple's Personal Interactive Electronics division develops, licenses, and markets technologies, products, and services in the categories of PDAs, multimedia products, and on-line services. The Company believes that there are several trends emerging that can create significant business opportunities for companies that can market affordable, portable, easy-to-use personal communications products and services. These trends include the shift from analog to digital telecommunications technologies, the expansion of network capacity, and the increase in the use of digitally-compressed information.

The Company believes it has the opportunity to develop an attractive PDA business by widely licensing its Newton(R) technology to a variety of hardware manufacturers, software application developers, and service and communications providers. The Company believes this licensing strategy provides Apple the potential to establish a leading architectural standard for PDAs. Establishment of a leading standard could enable Apple to develop a business model whose revenues and profits are generated, to a large extent, from the on-going usage by the individual user of a variety of information and data services. As of December 31, 1993, Apple had entered into agreements to license Newton technology and resell Newton products with several major companies, including Kyushu Matsushita Electric Co., Sharp Corporation, Siemens/Rolm, Motorola, and Alcatel SEL.

On July 30, 1993, the Company introduced its first PDA product, the Newton MessagePad(TM), a handheld communications assistant. This product has not contributed materially to revenues to date. On January 5, 1994, the Company announced its plans for its new on-line service, eWorld(TM), which is intended to exploit new business opportunities in the area of on-line electronic distribution of information, messaging, and entertainment.

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CLARIS

Claris Corporation, a wholly-owned subsidiary of the Company, develops, publishes, and distributes software applications in a variety of established personal productivity categories (such as word processing, database management, and graphics) for Macintosh and Windows-based systems. Claris also publishes and distributes software developed by independent developers through its Claris Clear Choice(TM) program. Claris products are distributed primarily through independent software resellers.

DISTRIBUTION CHANNELS

Apple reaches the various market segments of the Personal Computer Division through two general channels of distribution: direct sales and Apple authorized resellers. Apple authorized resellers currently represent Apple's single largest channel and operate in every country in which Apple sells products.

The number and types of Apple authorized resellers have evolved in recent years as customer buying patterns, Apple's market focus, and the economics of distribution, have changed. For example, the Macintosh Performa line is currently distributed in approximately 5,000 retail stores, including computer superstores (high volume retail stores that specialize in high technology products or office equipment) in the United States. Over 1,600 value-added resellers (businesses that create and sell customized hardware and software solutions) currently distribute Macintosh products in the United States.

MARKETING AND MANUFACTURING

Products sold in the United States are manufactured primarily in the Company's manufacturing facilities in Singapore and Fountain, Colorado, and distributed from facilities in Sacramento, California and Chicago, Illinois. The Company has two international sales and marketing divisions. The Apple Europe division, based in Paris, France, focuses on opportunities in Europe as well as parts of Africa and the Middle East. Products sold by the Europe division are manufactured primarily in the Company's facilities in Cork, Ireland. The Apple Pacific division, based in Cupertino, California, focuses on opportunities in Australia, Canada, the Far East, Latin America, and Japan. Products sold by the Pacific division are manufactured primarily in the Company's manufacturing facilities in Singapore and Fountain, Colorado.

As of December 31, 1993, the Company had approximately 11,000 regular employees and 2,000 persons working on a temporary or contractor basis.

USE OF PROCEEDS

The Company expects to use the net proceeds from the sale of the Notes offered hereby (estimated to be $297,550,000) to reduce short-term indebtedness (comprised primarily of commercial paper borrowings bearing interest at rates ranging from 3.0% to 3.5% per annum).

CAPITALIZATION

The following table sets forth the consolidated capitalization of the Company as of December 31, 1993 and as adjusted to give effect to the sale by the Company of the Notes offered hereby and the application of the net proceeds therefrom (as if such sale and application of proceeds occurred on such date). See "Use of Proceeds."

<TABLE>
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	DECEMBER 31, 1993	
	ACTUAL	AS ADJUSTED
	(DOLLARS IN THOUSANDS)	
<S>	<C>	<C>
Short-term debt	$ 752,257	$ 454,707
Long-term debt	$ --	$ 300,000
Shareholders' equity:		
Common Stock, no par value; 320,000,000 shares authorized; 116,495,476 shares issued and outstanding	211,108	211,108

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Retained earnings	1,868,660	1,868,660
Accumulated translation adjustment	(26,509)	(26,509)
Total shareholders' equity	2,053,259	2,053,259
Total capitalization	$2,053,259	$2,353,259

</TABLE>

SELECTED CONSOLIDATED FINANCIAL INFORMATION

The following selected consolidated financial information of the Company for, and as of the end of, each of the five years in the period ended September 24, 1993, except for the ratio of earnings to fixed charges, has been derived from consolidated financial statements, which have been audited by Ernst & Young, independent auditors. The selected consolidated financial information should be read in conjunction with the consolidated financial statements and notes thereto incorporated by reference in the accompanying Prospectus.

<TABLE>
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	YEAR ENDED(1)				
	SEPTEMBER 29, 1989	SEPTEMBER 28, 1990	SEPTEMBER 27, 1991	SEPTEMBER 25, 1992	SEPTEMBER 24, 1993
	(AMOUNTS IN THOUSANDS, EXCEPT PER SHARE AND RATIO DATA)				
<S>	<C>	<C>	<C>	<C>	<C>
RESULTS OF OPERATIONS DATA:					
Net sales:					
Domestic	$ 3,401,462	$ 3,241,061	$ 3,484,533	$ 3,885,042	$ 4,387,674
International	1,882,551	2,317,374	2,824,316	3,201,500	3,589,280
Total net sales	5,284,013	5,558,435	6,308,849	7,086,542	7,976,954
Costs and expenses:					
Cost of sales	2,694,823	2,606,223	3,314,118	3,991,337	5,248,834
Research and development	420,083	478,019	583,046	602,135	664,564
Selling, general and administrative	1,534,794	1,728,508	1,740,293	1,687,262	1,632,362
Restructuring costs and other	--	33,673	224,043	--	320,856
Total costs and expenses	4,649,700	4,846,423	5,861,500	6,280,734	7,866,616
Operating income	634,313	712,012	447,349	805,808	110,338
Interest and other income, net	110,009	66,505	52,395	49,634	29,321
Income before income taxes	744,322(2)	778,517	499,744	855,442	139,659
Provision for income taxes	290,289	303,622	189,903	325,069	53,070
Net income	$ 454,033(2)	$ 474,895	$ 309,841	$ 530,373	$ 86,589
Earnings per common and common equivalent share	$ 3.53(2)	$ 3.77	$ 2.58	$ 4.33	$ 0.73
Common and common equivalent shares used in the calculations of earnings per share	128,669	125,813	120,283	122,490	119,125
FINANCIAL POSITION DATA:					
Cash, cash equivalents, and short-term investments	$ 808,950	$ 997,091	$ 892,719	$ 1,435,500	$ 892,303
Accounts receivable, net	792,824	761,868	907,159	1,087,185	1,381,946
Inventories	475,377	355,473	671,655	580,097	1,506,638
Net property, plant, and equipment	334,227	398,165	447,978	462,221	659,546
Total assets	2,743,899	2,975,707	3,493,597	4,223,693	5,171,412
Current liabilities	895,243	1,027,055	1,217,051	1,425,520	2,515,202
Notes payable	56,751	122,630	148,566	184,461	823,182
Deferred income taxes	362,910	501,832	509,870	610,803	629,832
Shareholders' equity	1,485,746	1,446,820	1,766,676	2,187,370	2,026,378
OTHER DATA:					
Cash dividends declared per common share	$ 0.40	$ 0.44	$ 0.48	$ 0.48	$ 0.48
Capital expenditures	238,993	224,305	218,348	194,853	213,118
Depreciation and amortization	124,800	202,686	204,433	217,182	166,113
Ratio of earnings to fixed charges(3)	15.7x	17.2x	11.4x	22.9x	3.6x

</TABLE>

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(1) Certain prior year amounts have been reclassified to conform to the presentation for the fiscal year ended September 24, 1993.
(2) Includes a pretax gain of approximately $79 million ($48 million, or $0.37 per share, after taxes) from the Company's sale of its common stock of Adobe Systems Incorporated.
(3) The ratio of earnings to fixed charges is computed by dividing earnings before taxes and fixed charges by fixed charges. Fixed charges consist of interest expense and the estimated interest component of rent expense. The ratio of earnings to fixed charges for the fiscal quarter ended December 31, 1993 was 4.8x.

The following selected consolidated financial information of the Company for the five fiscal quarters in the period ended December 31, 1993 is unaudited. In the opinion of the Company's management, this unaudited information has been prepared on the same basis as the audited information set forth in the consolidated financial statements and notes thereto incorporated by reference in the accompanying Prospectus and includes all adjustments, consisting of normal recurring adjustments, necessary to present fairly the quarterly information set forth herein. The results for any quarter are not necessarily indicative of results for any future period.

<TABLE>
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	QUARTER ENDED(1)				
	DECEMBER 25, 1992	MARCH 26, 1993	JUNE 25, 1993	SEPTEMBER 24, 1993	DECEMBER 31, 1993
	(AMOUNTS IN THOUSANDS, EXCEPT PER SHARE DATA)				
<S>	<C>	<C>	<C>	<C>	<C>
RESULTS OF OPERATIONS DATA:					
Net sales:					
Domestic	$ 1,095,369	$ 1,040,090	$ 1,000,497	$ 1,251,718	$ 1,350,974
International	904,923	933,804	861,482	889,071	1,117,880
Total net sales	2,000,292	1,973,894	1,861,979	2,140,789	2,468,854
Costs and expenses:					
Cost of sales	1,189,367	1,213,131	1,255,975	1,590,361	1,876,830
Research and development	160,282	166,007	174,169	164,106	152,612
Selling, general and administrative	409,858	425,690	417,645	379,169	374,705
Restructuring costs and other	--	--	320,856	--	--
Total costs and expenses	1,759,507	1,804,828	2,168,645	2,133,636	2,404,147
Operating income (loss)	240,785	169,066	(306,666)	7,153	64,707
Interest and other income (expense), net	19,442	9,803	2,931	(2,855)	(163)
Income (loss) before income taxes	260,227	178,869	(303,735)	4,298	64,544
Provision (benefit) for income taxes	98,886	67,969	(115,419)	1,634	24,526
Net income (loss)	$ 161,341	$ 110,900	$ (188,316)	$ 2,664	$ 40,018
Earnings (loss) per common and common equivalent share	$ 1.33	$ 0.92	$ (1.63)	$ 0.02	$ 0.34
Common and common equivalent shares used in the calculations of earnings (loss) per share	121,156	120,904	115,669	116,592	116,956
FINANCIAL POSITION DATA:					
Cash, cash equivalents, and short-term investments	$ 1,445,866	$ 1,079,377	$ 856,811	$ 892,303	$ 1,122,775
Accounts receivable, net	1,198,738	1,285,743	1,265,359	1,381,946	1,247,954
Inventories	596,613	876,756	1,238,658	1,506,638	1,338,637
Net property, plant, and equipment	639,333	650,313	659,520	659,546	642,336
Total assets	4,494,609	4,470,088	4,767,983	5,171,412	5,042,440
Current liabilities	1,537,819	1,469,503	2,097,246	2,515,202	2,328,161
Notes payable	191,394	59,930	312,766	823,182	752,257
Deferred income taxes	673,992	714,375	650,268	629,832	661,020
Shareholders' equity	2,282,798	2,286,210	2,020,469	2,026,378	2,053,259
OTHER DATA:					
Cash dividends declared per common share	$ 0.12	$ 0.12	$ 0.12	$ 0.12	$ 0.12
Capital expenditures	44,289	48,493	72,625	47,711	23,564
Depreciation and amortization	39,401	42,842	41,393	42,477	42,606

</TABLE>

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(1) Certain prior quarter amounts have been reclassified to conform to the presentation for the fiscal quarter ended December 31, 1993.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The following discussion should be read in conjunction with the consolidated financial statements and notes thereto included in the Company's Annual Report on Form 10-K for the fiscal year ended September 24, 1993 and the Quarterly Report on Form 10-Q for the fiscal quarter ended December 31, 1993, each of which is incorporated by reference in the accompanying Prospectus. All information set forth herein is based on the Company's fiscal calendar. Dollar amounts set forth in tables herein are in millions, except per share amounts.

QUARTER-TO-QUARTER COMPARISON

The following table presents the unaudited quarterly consolidated financial information of the Company set forth under the heading "Selected Consolidated Financial Information" expressed as a percentage of net sales for the quarters indicated.

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	AS A PERCENTAGE OF NET SALES FOR THE QUARTER ENDED				
	DECEMBER 25, 1992	MARCH 26, 1993	JUNE 25, 1993	SEPTEMBER 24, 1993	DECEMBER 31, 1993
<S>	<C>	<C>	<C>	<C>	<C>
Net sales:					
Domestic...........................	54.8%	52.7%	53.7%	58.5%	54.7%
International......................	45.2	47.3	46.3	41.5	45.3
Total net sales..............	100.0	100.0	100.0	100.0	100.0
Gross margin.........................	40.5	38.5	32.5	25.7	24.0
Costs and expenses:					
Cost of sales......................	59.5	61.5	67.5	74.3	76.0
Research and development...........	8.0	8.4	9.4	7.7	6.2
Selling, general and administrative..................	20.5	21.6	22.4	17.7	15.2
Restructuring costs and other......	--	--	17.2	--	--
Total costs and expenses.....	88.0	91.5	116.5	99.7	97.4
Operating income (loss)..............	12.0	8.5	-16.5	0.3	2.6
Interest and other income (expense), net................................	1.0	0.5	0.2	-0.1	--
Income (loss) before income tax......	13.0	9.0	-16.3	0.2	2.6
Provision (benefit) for income tax...	4.9	3.4	-6.2	0.1	1.0
Net income (loss)....................	8.1%	5.6%	-10.1%	0.1%	1.6%

</TABLE>

RESULTS OF OPERATIONS

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	FIRST QUARTER 1994	CHANGE	FIRST QUARTER 1993
<S>	<C>	<C>	<C>
Net sales..	$ 2,469	23.4%	$ 2,000
Gross margin.....................................	$ 592	-27.0%	$ 811
Percentage of net sales........................	24.0%		40.5%
Operating expenses...............................	$ 527	-7.5%	$ 570
Percentage of net sales........................	21.4%		28.5%
Net income.......................................	$ 40	-75.2%	$ 161
Earnings per share...............................	$ 0.34	-74.4%	$ 1.33

</TABLE>

Net Sales

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Net sales for the first quarter of 1994 increased by 23.4% over the comparable period of 1993. Total Macintosh computer unit sales increased 40% in the first quarter of 1994 over the comparable period of 1993. This unit sales growth principally resulted from strong sales of the Company's newer product offerings within the LC, Performa and Quadra families of desktop personal computers and within the PowerBook family of notebook-sized personal computers. This unit growth was partially

offset by declining unit sales of certain of the Company's more established products and older product offerings. The average aggregate revenue per Macintosh computer unit declined 12% in the first quarter of 1994 over the comparable period of 1993, primarily as a result of pricing actions undertaken by the Company in response to continuing industrywide pricing pressures and high levels of inventory. Going forward, the Company anticipates continued industrywide competitive pricing and promotional actions.

International net sales grew 24% and domestic net sales grew 23% in the first quarter of 1994 over the comparable period of 1993. The increase in international net sales primarily reflected strong net sales growth in the Pacific region. Despite generally weak economic conditions and competitive pressures in various European countries, net sales grew moderately in Europe. International net sales represented 45% of total net sales for the first quarter of 1994, unchanged from the corresponding period of 1993.

The Company has historically experienced increased net sales in its first quarter, compared with other quarters in its fiscal year, due to demand for and calendar year-end buying of some of its products. The Company does not, however, consider its business to be highly seasonal.

It is anticipated that a significant portion of the Company's future revenues will come from new products, especially personal computers based on the PowerPC family of microprocessors. However, there can be no assurance that these new products will receive favorable market acceptance, and the Company cannot determine the ultimate effect these products will have on its sales or results of operations. See "Factors That May Affect Future Results and Financial Condition."

In general, the Company's resellers typically purchase products on an as-needed basis due to the Company's distribution strategy, which is designed to expedite the filling of orders. Resellers frequently change delivery schedules and order rates depending on changing market conditions. Unfilled orders ("backlog"), which are not necessarily legally binding, can be, and often are, canceled at will. The Company's backlog decreased to approximately $302 million at January 19, 1994 from approximately $663 million at November 19, 1993, as the Company's higher inventory levels provided greater product availability to meet reseller orders and delivery schedules.

In the Company's experience, the actual amount of product backlog at any particular time is not a meaningful indication of its future business prospects. Because of the foregoing, as well as other factors affecting the Company's backlog, backlog should not be considered a reliable indicator of the Company's future revenue or financial performance.

Gross Margin

Gross margin declined both in amount and as a percentage of net sales during the first quarter of 1994 from the comparable period of 1993. The decline in gross margin as a percentage of net sales was primarily a result of pricing and promotional actions undertaken by the Company in response to industrywide pricing pressures (including the increasing price competition that the Company is experiencing in the Japanese market) and high levels of inventory. Gross margin was also adversely affected by increases in inventory valuation reserves associated with the high levels of inventory, increased costs associated with providing customers a wider variety of product configuration options, and a seasonal shift of product mix toward lower margin products.

Gross margin was affected somewhat adversely by changes in foreign currency exchange rates as a result of a stronger U.S. dollar relative to certain foreign currencies during the first quarter of 1994 compared with the corresponding period of 1993. The Company's operating strategy and pricing take into account changes in exchange rates over time; however, the Company's results of operations can be significantly affected in the short-term by fluctuations in foreign currency exchange rates.

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The Company anticipates that gross margins will remain under pressure and below historic levels worldwide due to a variety of factors, including continued industrywide pricing pressures, increased competition and compressed product cycles. The Company's gross margins could also be adversely affected by inventory valuation reserves that could result if anticipated unit sales growth projections for new and current product offerings are not realized.

Operating Expenses

	FIRST QUARTER 1994	CHANGE	FIRST QUARTER 1993
Research and development	$ 153	-4.8%	$ 160
Percentage of net sales	6.2%		8.0%

Research and development expenditures as a percentage of net sales fluctuated between 7.7% and 9.4% during 1993. These expenditures decreased both in amount and as a percentage of net sales in the first quarter of 1994 when compared with the corresponding period of 1993. This decrease reflects the results of the Company's restructuring actions aimed at reducing costs, including more focused product development expenditures.

The Company believes that continued investments in research and development are critical to its future growth and competitive position in the marketplace and are directly related to continued, timely development of new and enhanced products. However, in light of the Company's expectation of continued pressure on gross margin, the Company anticipates that research and development expenditures will decrease in amount as the Company maintains its efforts to manage operating expense growth relative to gross margin levels during 1994.

	FIRST QUARTER 1994	CHANGE	FIRST QUARTER 1993
Selling, general and administrative	$ 375	-8.6%	$ 410
Percentage of net sales	15.2%		20.5%

Selling, general and administrative expenses decreased in amount and as a percentage of net sales in the first quarter of 1994 when compared with the corresponding period of 1993. This decrease was primarily a result of the Company's ongoing efforts to manage operating expense growth relative to gross margin levels, and also due to an increase in the level of net sales.

In the first three quarters of 1993, selling, general and administrative expenses increased sequentially in amount and as a percentage of net sales increasing from 20.5% to 22.4%. In the fourth quarter of 1993 and the first quarter of 1994, however, selling, general and administrative expenses as a percentage of net sales decreased to 17.7% and 15.2%, respectively, principally as a result of the Company's restructuring actions initiated in the third quarter of 1993, which included a decrease in employee-related expenses. For a discussion of the restructuring actions, see "Year-to-Year Comparison -- Results of Operations -- Operating Expenses." While no assurance can be given that the restructuring actions will be successful or that similar actions will not be required in the future, the Company has already realized some cost-reduction benefits, and expects to realize additional benefits in the future.

The Company will continue to face the challenge of managing selling, general and administrative expenses relative to gross margin levels, particularly in light of the Company's expectation of continued pressure on gross margin, and continued weak economic conditions worldwide. The Company's objective is to continue to reduce selling, general and administrative expenses as a percentage of net sales during 1994.

INTEREST AND OTHER INCOME (EXPENSE), NET

<TABLE>
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	FIRST QUARTER	FIRST QUARTER

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	1994	CHANGE	1993
Interest and other income (expense), net.........	$ 0	-100.0%	$ 19

The Company derived other income from sources such as interest earned on cash and portfolio balances, gains on the sale of certain venture capital investments, and gains on interest rate and foreign exchange hedging activities. Interest and other income (expense), net, decreased in the first quarter of 1994 when compared with the same period in 1993. This decrease was primarily due to a non-recurring gain on the sale of certain of the Company's venture capital investments in the first quarter of 1993, an increase in interest expense due to higher commercial paper borrowing levels, and a decrease in interest income due to lower interest rates and lower cash balances.

PROVISION FOR INCOME TAXES

	FIRST QUARTER 1994	CHANGE	FIRST QUARTER 1993
Provision for income taxes......................	$ 25	-75.2%	$ 99
Effective tax rate..............................	38%		38%

Effective September 25, 1993, the Company adopted Statement of Financial Accounting Standards No. 109 -- Accounting for Income Taxes ("FAS 109"), which changes the method of accounting for income taxes from the deferred method to the liability method. This change in accounting principle has been adopted on a prospective basis, and the financial statements of prior years have not been restated. The cumulative effect of the change was not material.

Under FAS 109, deferred income taxes reflect the future income tax effects of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and their tax basis. Prior to 1994, the Company accounted for income taxes under the provisions of APB Opinion No. 11, which recognized deferred taxes for the effect of timing differences between pre-tax accounting income and taxable income.

For additional information regarding the Company's provision for income taxes, reference is made to Note 2 of the Notes to Consolidated Financial Statements (Unaudited) in the Company's Quarterly Report on Form 10-Q for the fiscal quarter ended December 31, 1993, which is incorporated by reference in the accompanying Prospectus.

YEAR-TO-YEAR COMPARISON

RESULTS OF OPERATIONS

	1993	CHANGE	1992	CHANGE	1991
Net sales................................	$ 7,977	13%	$ 7,087	12%	$ 6,309
Gross margin.............................	$ 2,728	-12%	$ 3,095	3%	$ 2,995
Percentage of net sales.................	34.2%		43.7%		47.5%
Operating expenses (excluding restructuring costs and other)..........	$ 2,297	--	$ 2,289	-1%	$ 2,323
Percentage of net sales.................	28.8%		32.3%		36.8%
Restructuring costs and other............	$ 321	--	--	--	$ 224
Percentage of net sales.................	4.0%		--		3.6%
Net income...............................	$ 87	-84%	$ 530	71%	$ 310
Earnings per share.......................	$ 0.73	-83%	$ 4.33	68%	$ 2.58

Net Sales

The net sales growth in 1993 over 1992 reflected strong unit sales of the Company's Macintosh computers, including the Color Classic, the LC III, and the Centris family (which has recently been consolidated with the Quadra family), all of which were introduced in 1993. Additions to the PowerBook family of notebook personal computers and the Performa family of desktop personal computers also contributed to net sales growth. This growth was partially offset

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by declining unit sales of certain of the Company's more established products and older product versions. Total Macintosh computer unit sales increased 32% over the prior year, compared with a 20% increase from 1991 to 1992. The average aggregate revenue per Macintosh computer unit declined 16% in 1993 compared with 1992, primarily as a result of pricing actions undertaken by the Company in response to continuing industrywide pricing pressures and high inventory levels.

Growth in net sales in 1992 over 1991 reflected strong unit sales of the Classic II, LC II, and PowerBook and Quadra families of Macintosh computers, all of which were introduced in 1992. This growth was partially offset by declining unit sales of certain of the Company's more established products and older product versions. The average aggregate revenue per Macintosh computer unit declined slightly in 1992 when compared with 1991, primarily as a result of a shift in product mix towards the Company's PowerBook and entry-level products, coupled with pricing and promotional actions undertaken by the Company in 1992.

In 1993, domestic net sales increased 13% over the prior year, compared with an increase of 11% in 1992 over 1991. International net sales grew 12% from 1992 to 1993, representing a slight decrease in growth rate compared with 13% growth from 1991 to 1992. International net sales represented 45% of net sales in 1993, 1992, and 1991.

Gross Margin

Gross margin as a percentage of net sales in 1993 continued to decline from 1992 and 1991 levels. The gross margin percentage declined to 34.2% in 1993 from 43.7% in 1992. The downward trend in gross margin as a percentage of net sales was primarily a result of pricing and promotional actions undertaken by the Company in response to industrywide competitive pricing pressures and higher levels of inventory for certain products. Inventory valuation reserves recorded against certain products also contributed to the decline in gross margin as a percentage of net sales.

The decline in gross margin as a percentage of net sales from 47.5% in 1991 to 43.7% in 1992 was primarily the result of industrywide competitive pressures and associated pricing and promotional actions, partially offset by a shift in product mix towards the Company's PowerBook and Quadra products.

Gross margin was minimally affected by changes in foreign currency exchange rates in 1993 and in 1992.

Operating Expenses

	1993	CHANGE	1992	CHANGE	1991
Research and development............	$ 665	10%	$ 602	3%	$ 583
Percentage of net sales............	8.3%		8.5%		9.2%

Research and development expenditures increased in amount during 1993 and 1992 compared with 1992 and 1991, respectively, reflecting net additions to the Company's engineering staff and related costs as the Company continued to invest in the development of new products and technologies, and in the enhancement of existing products in the areas of hardware and peripherals, system software, and networking and communications. Research and development expenditures as a percentage of net sales have continued to decrease since 1991 as a result of revenue growth during 1992 and 1993 coupled with the Company's continuing efforts to focus its research and development project spending.

	1993	CHANGE	1992	CHANGE	1991
Selling, general and administrative..................	$ 1,632	-3%	$ 1,687	-3%	$ 1,740
Percentage of net sales...........	20.5%		23.8%		27.6%

Selling, general and administrative expenses decreased in amount and as a percentage of net sales in 1993 and 1992 compared with 1992 and 1991, respectively. These decreases reflect the Company's ongoing efforts to manage operating expense growth relative to gross margin levels.

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General and administrative expenses decreased in 1993 compared with 1992, primarily because of reduced employee-related expenses resulting from the restructuring actions taken in the third quarter of 1993. This decrease in general and administrative expenses was offset slightly by an increase in sales and marketing expenses as a result of increases in product marketing and advertising programs related to new product introductions and efforts to increase product demand.

In 1992, selling expenses decreased in amount and as a percentage of net sales compared with 1991, primarily because of reduced sales programs and marketing expenditures, as well as lower employee-related costs. Revenue growth also contributed to the decrease in selling expenses as a percentage of net sales. General and administrative expenses also decreased in amount and as a percentage of net sales in 1992 compared to 1991, primarily as a result of lower legal and employee-related costs. This decrease was offset slightly by an increase in bad debt expense resulting from generally weak worldwide economic conditions.

	1993	CHANGE	1992	CHANGE	1991
Restructuring costs and other.......	$ 321	--	--	--	$ 224
Percentage of net sales............	4.0%		--		3.6%

In the third quarter of 1993, the Company initiated a plan to restructure its operations worldwide in order to address the competitive conditions in the PC industry, including increased market demand for lower-priced products. The restructuring charge of $321 million included $162 million of estimated employee-related expenses and $159 million of estimated facilities, equipment, and other expenses associated with the planned consolidation of operations and relocation and termination of operations and employees, including termination of approximately 2,500 employees, relocation of certain Company functions to lower-cost geographic locations, and elimination of certain projects and activities.

The Company's 1993 restructuring plan consisted of a series of actions, the majority of which have been initiated. The remaining actions are expected to be initiated during 1994. Spending associated with certain actions is expected to extend beyond the initiation of those actions. For example, lease payments under noncancelable leases generally extend beyond the closing of the

facilities. Although plans are in place to carry out the remaining actions, some plans may be refined as the Company continues to identify the best means of achieving reductions in its cost structure. The Company believes that the restructuring actions were necessary in light of competitive pressures on its gross margins as a percentage of net sales and in light of generally weak economic conditions worldwide.

In 1991, the Company recorded a $197.5 million charge to operating expenses under a plan to restructure its operations worldwide. The Company believed that the restructuring actions were necessary in light of its continued expectation of lower gross margins as a percentage of net sales and in light of generally weak economic conditions worldwide. Also in 1991, the Company recorded a reserve in the amount of $26.5 million in connection with certain trademark litigation filed against it by Apple Corps Ltd. and Apple Corps S.A. in 1989, which amount was paid in settlement of such litigation in 1992.

INTEREST AND OTHER INCOME, NET

	1993	CHANGE	1992	CHANGE
Interest and other income, net.........................	$ 29	-41%	$ 50	-5%

Interest and other income, net, decreased in amount in 1993 compared with 1992 because of lower interest rates, lower cash balances, expenses associated with certain financing transactions, lower gains on the sale of certain of the Company's venture capital investments, an increase in the cost of hedging certain foreign currency exposures, and an increase in interest expense due to higher commercial paper borrowing levels. This decrease was partially offset by a payment received from the Internal Revenue Service reflecting interest earned

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on an income tax refund, and gains realized on foreign exchange and interest rate hedges.

Interest and other income, net, decreased slightly in amount in 1992 compared with 1991 because of lower interest rates and an increase in the cost of hedging certain foreign currency exposures. This decrease was partially offset by a gain on the sale of certain of the Company's venture capital investments, gains realized on interest rate hedges, and larger interest-earning portfolio balances.

PROVISION FOR INCOME TAXES

	1993	CHANGE	1992	CHANGE	1991
Provision for income taxes	$ 53	-84%	$ 325	71%	$ 190
Effective tax rate	38%		38%		38%

The Company's effective tax rate remained unchanged in 1993, 1992, and 1991. For additional information regarding the Company's provision for income taxes, reference is made to the Note entitled "Income Taxes" in the Notes to Consolidated Financial Statements in the Company's Annual Report on Form 10-K for the fiscal year ended September 24, 1993, which is incorporated by reference in the accompanying Prospectus.

LIQUIDITY AND CAPITAL RESOURCES

	AS OF AND FOR THE QUARTER ENDED		AS OF AND FOR THE YEAR ENDED		
	DECEMBER 31, 1993	SEPTEMBER 24, 1993	SEPTEMBER 24, 1993	SEPTEMBER 25, 1992	SEPTEMBER 27, 1991
Cash, cash equivalents, and short-term investments	$ 1,123	$ 892	$ 892	$1,436	$ 893
Short-term borrowings	752	823	823	184	149
Inventory	1,339	1,507	1,507	580	672
Working capital	1,880	1,823	1,823	2,133	1,647
Cash generated by (used for) operations	367	(400)	(662)	921	189
Cash used for investment activities, excluding short-term investments	58	35	228	264	276
Cash generated by (used for) financing activities	(79)	470	347	(114)	(18)

The Company's financial position with respect to cash, cash equivalents, and short-term investments, net of short-term borrowings, increased to $371 million at December 31, 1993 from $69 million at September 24, 1993. Working capital increased to approximately $1.9 billion at December 31, 1993 from $1.8 billion at September 24, 1993.

Operations generated net cash of $367 million during the first quarter of 1994, compared with $400 million used during the fourth quarter of 1993. This improvement was due primarily to decreases in inventory levels and accounts receivable. Accounts receivable decreased by $134 million as a result of improved collections activity. Continued improvement in cash flow from operations for the remainder of 1994 will depend principally on the Company's ability to improve profit levels and the Company's continued aggressive management of working capital, particularly in the area of inventory management as the Company introduces its Power PC-based personal computers.

The Company's inventory levels increased sequentially each quarter during fiscal 1993 from approximately $580 million at the end of fiscal 1992 to approximately $1.51 billion at the end of fiscal 1993 in support of its expanded product line and distribution channels and anticipated higher sales volumes. These higher levels of inventory, in turn, resulted in increased levels of short-term borrowings. As of the end of the first quarter of fiscal 1994, inventory levels had declined by approximately $168 million and short-term borrowings had declined by $71 million from the fiscal 1993 year-end levels,

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primarily as a result of improved inventory management and increased sales resulting from pricing and promotional actions. The Company has also identified additional measures to improve management of working capital, including the implementation of long-term financing arrangements (such as the sale of the Notes offered hereby), and long-term measures designed to improve inventory management, such as increased emphasis on designing-in commonality of parts among products, increased use of manufacturing-on-demand based on product orders rather than forecasts, and greater rationalization of product offerings. Although the Company believes that these measures will result in improved inventory and working capital management during 1994, there can be no assurance that these measures will be successful or that inventory reserves will not be necessary in future periods.

Net cash used for the purchase of property, plant, and equipment totaled approximately $24 million during the first quarter of 1994 compared with $47 million during the first quarter of 1993. In both quarters, the purchases were primarily of manufacturing machinery and equipment and leasehold improvements. The Company anticipates that capital expenditures in 1994 will be slightly below 1993 expenditures.

Short-term borrowings at December 31, 1993 were approximately $71 million lower than at September 24, 1993. The Company's aggregate borrowings at December 31, 1993 were approximately $752 million, comprised of approximately $527 million short-term borrowings in the U.S. and

approximately $225 million of short-term borrowings overseas. Aggregate borrowings at September 24, 1993 were $823 million.

The Company's financial position with respect to cash, cash equivalents, and short-term investments, net of short-term borrowings, declined to $69 million at the end of 1993, compared with $1.25 billion and $744 million at the end of 1992 and 1991, respectively. Working capital was $1.8 billion at the end of 1993, compared with $2.1 billion and $1.6 billion at the end of 1992 and 1991, respectively.

In 1993, $662 million of net cash was used for operations compared with $921 million of net cash generated by operations in 1992. This change resulted primarily from a substantial increase in inventory levels; significant price reductions taken in response to competitive pressures, which resulted in lower gross margin and net income despite higher net sales; and increases in accounts receivable levels resulting from higher net sales coupled with slower collections. These factors were offset slightly by increases in accrued restructuring costs and accounts payable.

In 1992, net cash generated by operations increased compared with 1991, primarily as a result of increased net income and lower inventory levels, offset somewhat by a reduction in accrued restructuring costs. Higher sales resulting from strong demand for new products and price reductions and other sales incentive programs, coupled with a decrease in operating expenses, contributed to the increase in net income. Inventory levels decreased as a result of higher sales levels and more effective inventory management.

Excluding short-term investments, net cash used for investments declined in 1993 compared with 1992 and 1991 levels. Net cash used for the purchase of property, plant and equipment totaled $213 million in 1993, and was primarily made up of increases in land and buildings, manufacturing machinery and equipment, and leasehold improvements.

Net cash generated by financing activities increased in 1993 compared with 1992 and 1991, mainly because of a significant increase in short-term borrowings used for working capital needs. Net cash generated by financing activities in 1993 was partially offset by the repurchase of approximately five million shares of the Company's common stock in the open market under stock repurchase programs.

The Company expects that it will continue to incur short-and long-term borrowings from time to time to finance U.S. working capital needs and capital expenditures, because substantially all of the Company's cash, cash equivalents, and short-term investments is held by foreign subsidiaries, generally in U.S. dollar denominated holdings. Amounts held by foreign subsidiaries would be subject to U.S. income taxation upon repatriation to the United States. The Company's financial statements fully provide for any related tax liability on amounts that may be repatriated.

The Company's short-term borrowings are principally under its commercial paper program. From time to time, the Company also borrows to finance operations pursuant to short-term uncommitted bid-line arrangements with commercial banks.

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During the first quarter of 1994, the Company entered into a $500 million unsecured revolving credit facility with a syndicate of banks to support its commercial paper program. No borrowings have been made under this facility. In addition, Apple Japan, Inc., a wholly-owned subsidiary of the Company, incurred short-term yen-denominated borrowings aggregating the U.S. dollar equivalent of approximately $225 million from several Japanese banks.

On May 5, 1993, the Company filed an omnibus shelf registration statement with the Securities and Exchange Commission for the registration of debt and other securities for an aggregate offering amount of $500 million. The $300 million aggregate principal amount of Notes offered hereby represents the first takedown under this shelf registration statement. The Company believes that this shelf registration provides it with additional financing flexibility to meet future funding requirements and to take advantage of attractive market conditions.

The Company leases the majority of its facilities and certain of its equipment under noncancelable operating leases. In 1993, rent expense under operating leases was approximately $170

million. For additional information with respect to the Company's future lease commitments, reference is made to the Note entitled "Commitments and Contingencies" in the Notes to Consolidated Financial Statements included in the Company's Annual Report on Form 10-K for the fiscal year ended September 24, 1993, which is incorporated by reference in the accompanying Prospectus.

In January 1994, a wholly-owned subsidiary of the Company exercised its option to purchase for $51.9 million the remaining partnership interest in the Cupertino Gateway Partners partnership, a general partnership, which owns the Company's campus-type office facilities located in Cupertino, California (the "Campus"). As a result of this purchase, the Company's wholly-owned subsidiary now owns 100% of the right, title, and interest in the Campus. This transaction will be reflected in the Company's financial statements for the second quarter of 1994.

The Internal Revenue Service has asserted federal income tax deficiencies for the years 1984 through 1988, which the Company is contesting. The Company believes the resolution of any tax liability for these proposed tax deficiencies will occur over the course of the next several years. Although payment of any assessment is not required until the end of such process, the Company elected to make a prepayment in April 1991 for the years 1984 through 1986, and a prepayment in May 1993 for the years 1987 through 1988.

The Company believes that its balances of cash, cash equivalents, and short-term investments, together with funds generated from operations, the proceeds of the sale of the Notes offered hereby, and other short-and long-term borrowing capabilities, will be sufficient to meet its operating cash requirements in the foreseeable future.

FACTORS THAT MAY AFFECT FUTURE RESULTS AND FINANCIAL CONDITION

During the first half of calendar year 1994, the Company plans to introduce its first Macintosh computers based on the new PowerPC family of RISC microprocessors. Accordingly, the Company's results of operations and financial condition could be adversely affected if it is unable to successfully transition its line of Macintosh personal computers and servers from the Motorola 68000-series of microprocessors to the PowerPC microprocessor. The success of this transition will depend on the Company's ability to continue the sales momentum of products based on the Motorola 68000-series of microprocessors through the introduction of its PowerPC-based products, to successfully manage inventory levels of both product lines simultaneously, to gain market acceptance of its PowerPC-based products, and to coordinate the timely development and distribution of new versions of commonly-used software products specifically designed for its PowerPC-based products.

The Company's future operating results and financial condition may also be affected by a number of other factors, including the Company's ability to: increase market share in its PC business while successfully expanding its new businesses and product offerings into other markets; broaden industry acceptance of the Newton PDA product, including effectively licensing Newton technology and marketing the related products and services; realize the anticipated cost-reduction benefits associated with its restructuring plan initiated in the third quarter of 1993; develop, manufacture, and sell its products profitably; reduce existing inventory levels and manage future inventory levels effectively. The Company's future operating results and financial condition may also be affected by uncertainties relative to global economic conditions; the strength of its distribution channels; industry factors; and the availability and cost of

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components.

The PC industry is highly volatile and continues to be characterized by dynamic customer demand patterns, rapid technological advances, frequent introduction of new products and product enhancements, and industrywide competition resulting in aggressive pricing practices and downward pressure on gross margins. The Company's operating results and financial condition could be adversely affected should the Company be unable to: accurately anticipate customer demand; introduce new products on a timely basis; manage lead times required to obtain components in order to be more responsive to short-term shifts in customer demand patterns; offer customers

competitive technologies while effectively managing the impact on inventory levels and the potential for customer confusion created by product proliferation; effectively manage the impact on the Company of industrywide pricing pressures; or effectively implement and manage the competitive risks associated with certain of the Company's collaboration agreements with other companies, such as the Company's agreements with IBM. The Company's results of operations and financial condition could also be adversely affected by inventory valuation reserves that could result if anticipated sales unit growth projections for new and current product offerings are not realized.

A large portion of the Company's revenues in recent years has come from its international operations. As a result, the Company's operating results and financial condition could be significantly affected by international factors, such as changes in foreign currency exchange rates or weak economic conditions in foreign markets in which the Company distributes its products. The Company's operating strategy and pricing take into account changes in exchange rates over time; however, the Company's results of operations can be significantly affected in the short term by fluctuations in foreign currency exchange rates.

During the first quarter of 1994, the Company introduced several products that extend its entry-level, midrange and notebook computer offerings. In addition, the Company introduced several new or enhanced peripheral products. The success of these new products is dependent on a number of factors, including market acceptance, the Company's ability to manage the risks associated with product transitions, and the Company's ability to reduce existing inventory levels and manage future inventory levels in line with anticipated product demand and to manufacture the products in appropriate quantities to meet anticipated demand. Accordingly, the Company cannot determine the ultimate effect that these new products will have on its sales or results of operations.

The Company's products include certain components, such as microprocessors manufactured by Motorola, Inc. and monochrome active-matrix displays manufactured by Hosiden Corporation, that are currently available only from single sources. Any availability limitations, interruptions in supplies, or price increases of these and other components could adversely affect the Company's business and financial results.

The majority of the Company's research and development activities, its corporate headquarters, and other critical business operations are located near major earthquake faults. The Company's operating results and financial condition could be materially adversely affected in the event of a major earthquake.

A number of uncertainties also exist regarding the marketing and distribution of the Company's products. The Company's primary means of distribution is through third-party computer resellers and various education and consumer channels. Although the Company has in place certain policies to limit concentrations of credit risk, business and financial results could be adversely affected in the event that the generally weak financial condition of third-party computer resellers worsens. In addition, the Company is continuing its expansion into new distribution channels, such as mass merchandise stores (such as Sears and Wal-Mart), consumer electronics outlets, and computer superstores, in response to changing industry practices and customer preferences. At this time, the Company cannot determine the ultimate effect of these or other future distribution expansion efforts on its future operating results.

Because of the foregoing factors, as well as other factors affecting the Company's operating results and financial condition, past financial performance should not be considered to be a reliable indicator of future performance, and investors should not use historical trends to anticipate results or trends in future periods.

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DESCRIPTION OF NOTES

The following description of the particular terms of the Notes offered hereby (referred to in the Prospectus as the "Offered Debt Securities") supplements, and to the extent inconsistent therewith replaces, the description of the general terms and provisions of the Debt Securities set forth in the Prospectus, to which description reference is hereby made. Capitalized terms not otherwise defined herein or in the accompanying Prospectus have the meanings given to them in the Indenture.

GENERAL

The Notes will be issued under an Indenture dated as of February , 1994 (the "Indenture"), between the Company and Citibank, N.A., as trustee (in substitution for Morgan Guaranty Trust Company of New York, which has recently announced the sale of substantially all of its domestic corporate trust business) (the "Trustee"). The Notes will be limited to $ aggregate principal amount and will mature on , 2004. The Notes will bear interest at the rate of % per annum from , 1994, or from the most recent Interest Payment Date to which interest has been paid or provided for, payable semiannually on and of each year, commencing , 1994, to the persons in whose names the Notes (or any predecessor Notes) are registered at the close of business on the or , as the case may be, next preceding such Interest Payment Date.

The Notes will be unsecured general obligations of the Company that will rank on a parity with all other unsecured and unsubordinated indebtedness of the Company from time to time outstanding.

The defeasance and covenant defeasance provisions of the Indenture described under the caption "Description of Securities -- Description of Debt Securities -- Defeasance and Covenant Defeasance" in the accompanying Prospectus will apply to the Notes.

The covenant provisions of the Indenture described under the caption "Description of Securities -- Description of Debt Securities -- Certain Covenants of the Company" in the accompanying Prospectus will apply to the Notes.

The Notes do not provide for any sinking fund.

OPTIONAL REDEMPTION

The Notes will be redeemable, at the option of the Company, at any time in whole or from time to time in part, upon not less than 30 and not more than 60 days' notice mailed to each Holder of Notes to be redeemed at his address appearing in the Security Register, on any date prior to their Stated Maturity at a price equal to 100% of the principal amount thereof plus accrued interest to the Redemption Date (subject to the right of Holders of record on the relevant Regular Record Date to receive interest due on an Interest Payment Date that is on or prior to the Redemption Date) plus a Make-Whole Premium, if any (the "Redemption Price").

The amount of the Make-Whole Premium with respect to any Note (or portion thereof) to be redeemed will be equal to the excess, if any, of:

(i) the sum of the present value, calculated as of the Redemption Date, of:

> (A) each interest payment that, but for such redemption, would have been payable on the Note (or portion thereof) being redeemed on each Interest Payment Date occurring after the Redemption Date (excluding any accrued interest for the period prior to the Redemption Date); and
>
> (B) the principal amount that, but for such redemption, would have been payable on the Stated Maturity of the Note (or portion thereof) being redeemed;

over

(ii) the principal amount of the Note (or portion thereof) being redeemed.

The present values of interest and principal payments referred to in clause (i) above will be determined in accordance with generally accepted principles of financial analysis. Such present values will be calculated by discounting the amount of each payment of interest or principal from the date that each such

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payment would have been payable, but for the redemption, to the Redemption Date at a discount rate equal to the Treasury Yield (as defined below).

For purposes of determining the Make-Whole Premium, "Treasury Yield" means a rate of interest per annum (expressed on semi-annual bond equivalent yield basis) equal to the weekly average yield to maturity of United States Treasury Notes that have a constant maturity that corresponds to the remaining term to Stated Maturity of the Notes, calculated to the nearest 1/12 of the year (the "Remaining Term"). The Treasury Yield will be determined as of the third business day immediately preceding the applicable Redemption Date.

The weekly average yields of United States Treasury Notes will be determined by reference to the most recent statistical release published by the Federal Reserve Bank of New York and designated "H.15(sec. 19) Selected Interest Rates" or successor publication (or, if such Statistical Release (or successor publication) is no longer published or no longer contains the applicable data, to the most recently published issue of The Wall Street Journal (Eastern Edition) that contains such data or, if the Wall Street Journal (Eastern Edition) is no longer published or no longer contains such data, to any publicly available source of such market data) (the "Applicable Source"). If the Applicable Source sets forth a weekly average yield for United States Treasury Notes having a constant maturity that is the same as the Remaining Term, then the Treasury Yield will be equal to such weekly average yield. In all other cases, the Treasury Yield will be calculated by interpolation, on a straight-line basis, between the weekly average yields on the United States Treasury Notes that have a constant maturity closest to and greater than the Remaining Term and the United States Treasury Notes that have a constant maturity closest to and less than the Remaining Term (in each case as set forth in the Applicable Source). Any weekly average yields so calculated by interpolation will be rounded to the nearest 1/100 of 1%, with any figure of 1/200% or above being rounded upward.

If less than all of the Notes are to be redeemed, the Trustee will select the Notes to be redeemed pro rata or by lot. The Trustee may select for redemption Notes and portions of Notes in amounts of $1,000 or whole multiples of $1,000, provided that if all of the Notes of a holder are to be redeemed, the entire outstanding amount of the Notes held by such Holder, even if not a whole multiple of $1,000, will be redeemed.

BOOK-ENTRY SYSTEM

The Notes will be represented by one or more Global Notes (collectively, the "Global Note") registered in the name of a nominee of The Depository Trust Company, as Depositary. The provisions set forth under "Description of Securities -- Description of Debt Securities -- Book-Entry System" in the accompanying Prospectus will be applicable to the Notes. Accordingly, beneficial interests in the Notes will be shown on, and transfers thereof will be effected only through, records maintained by the Depositary and its participants. Except as described under "Description of Securities -- Description of Debt Securities -- Book-Entry System" in the accompanying Prospectus, owners of beneficial interests in the Global Note will not be entitled to receive Notes in definitive form and will not be considered Holders of Notes.

The Depositary has advised the Company and the Underwriters as follows: The Depositary is a limited-purpose trust company organized under the laws of the State of New York, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code and a "clearing agency" registered under the Securities Exchange Act of 1934, as amended. The Depositary was created to hold securities of its participants and to facilitate the clearance and settlement of securities transactions among its participants in such securities through electronic book-entry changes in accounts of the participants, thereby eliminating the need for

physical movement of securities certificates. The Depositary's participants include securities brokers and dealers (including the Underwriters), banks, trust companies, clearing corporations and certain other organizations, some of whom (and/or their representatives) own the Depositary. Access to the Depositary's book-entry system is also available to others such as banks, brokers, dealers and trust companies that clear through or maintain a custodial relationship with a participant, either directly or indirectly. The Depositary agrees with and represents to its participants that it will administer its book-entry system in accordance with its rules and by-laws and requirements of law.

Payment of principal and interest and premium, if any, on the Notes registered in the name of the Depositary's nominee will be made in same-day funds to the Depositary's nominee as the registered owner of the Global Note.

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Under the terms of the Indenture, the Company and the Trustee will treat the persons in whose names the Notes are registered as the owners of such Notes for the purpose of receiving payment of principal and interest and premium, if any, on such Notes and for all other purposes whatsoever. Therefore, neither the Company, the Trustee nor any paying agent has any direct responsibility or liability for the payment of principal or interest or premium, if any, on the Notes to owners of beneficial interests in the Global Note. The Depositary has advised the Company and the Trustee that its current practice is, upon receipt of any payment of principal or interest or premium, if any, to immediately credit the accounts of the participants with such payment in amounts proportionate to their respective holdings in principal amount of beneficial interests in the Global Note as shown in the records of the Depositary. Payments by participants and indirect participants to owners of beneficial interests in the Global Note will be governed by standing instructions and customary practices, as is now the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of the participants or indirect participants.

SAME-DAY SETTLEMENT

Settlement for the Notes will be made by the Underwriters in same-day funds.

Secondary trading in long-term notes and debentures of corporate issuers is generally settled in clearing-house or next-day funds. In contrast, the Notes will trade in the Depositary's Same-Day Funds Settlement System until maturity, and secondary market trading activity in the Notes will therefore be required by the Depositary to settle in same-day funds. No assurance can be given as to the effect, if any, of settlement in same-day funds on trading activity in the Notes.

REGARDING THE TRUSTEE

The Trustee under the Indenture will be Citibank, N.A. (in substitution for Morgan Guaranty Trust Company of New York, which has recently announced the sale of substantially all of its domestic corporate trust business). The Trustee currently provides certain banking and financial services to the Company, including acting as an agent and lender for the Company's $500 million unsecured revolving credit facility. The Trustee is also currently acting as agent under the Company's commercial paper program. The Trustee may provide other banking and financial services in the future. The Indenture contains limitations on the right of the Trustee, as a creditor of the Company, to obtain payment of claims in certain cases or to realize for its own account on certain property received in respect of any such claim as security or otherwise. The Trustee will be permitted to engage in certain other transactions; however, if it acquires any conflicting interest and there is a default under the Indenture, the Trustee must eliminate such conflict or resign.

UNDERWRITING

Subject to the terms and conditions set forth in the Underwriting Agreement, the Company has agreed to sell to each of the Underwriters named below, and each of such Underwriters has severally agreed to purchase from the Company, the principal amount of Notes set forth opposite its name below:

<TABLE>
<CAPTION>

UNDERWRITER	PRINCIPAL AMOUNT OF NOTES
<S>	<C>
Goldman, Sachs & Co.	$
Citicorp Securities, Inc.	
CS First Boston Corporation	
Morgan Stanley & Co. Incorporated	
Total	$300,000,000

</TABLE>

Under the terms and conditions of the Underwriting Agreement, the Underwriters are committed to take and pay for all of the Notes, if any are taken.

The Underwriters propose to offer the Notes in part directly to the public

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at the initial public offering price set forth on the cover page of this Prospectus Supplement and in part to certain securities dealers at such price less a concession of   % of the principal amount of the Notes. The Underwriters may allow, and such dealers may reallow, a concession not in excess of   % of the principal amount of the Notes to certain brokers and dealers. After the Notes are released for sale to the public, the public offering price and other selling terms may from time to time be varied by the Underwriters.

The Notes are a new issue of securities with no established trading market. The Company does not intend to apply for listing of the Notes on any national securities exchange. The Company has been advised by the Underwriters that the Underwriters intend to make a market in the Notes, but are not obligated to do so and may discontinue market making at any time without notice. No assurance can be given as to the liquidity of, or the trading market for, the Notes.

The Company has agreed to indemnify the several Underwriters against certain liabilities, including liabilities under the Securities Act of 1933.

From time to time the Underwriters and certain of their affiliates have engaged, and may in the future engage, in transactions with, or perform services for, the Company or its affiliates in the ordinary course of business, including, in the case of Citicorp Securities, Inc., its affiliate Citibank, N.A., serving as Trustee under the Indenture.

LEGAL MATTERS

The validity of the Notes offered hereby will be passed upon for the Company by Wilson, Sonsini, Goodrich & Rosati, P.C., Palo Alto, California, and for the Underwriters by Shearman & Sterling, San Francisco, California. Shearman & Sterling serves as counsel to the Company with respect to certain litigation and other matters.

NO PERSON HAS BEEN AUTHORIZED TO GIVE ANY INFORMATION OR TO MAKE ANY REPRESENTATIONS OTHER THAN THOSE CONTAINED IN THIS PROSPECTUS SUPPLEMENT OR THE PROSPECTUS AND, IF GIVEN OR MADE, SUCH INFORMATION OR REPRESENTATIONS MUST NOT BE RELIED UPON AS HAVING BEEN AUTHORIZED. THIS PROSPECTUS SUPPLEMENT AND THE PROSPECTUS DO NOT CONSTITUTE AN OFFER TO SELL OR THE SOLICITATION OF AN OFFER TO BUY ANY SECURITIES OTHER THAN THE SECURITIES DESCRIBED IN THIS PROSPECTUS SUPPLEMENT OR AN OFFER TO SELL OR THE SOLICITATION OF AN OFFER TO BUY SUCH SECURITIES IN ANY CIRCUMSTANCES IN WHICH SUCH OFFER OR SOLICITATION IS UNLAWFUL. NEITHER THE DELIVERY OF THIS PROSPECTUS SUPPLEMENT OR THE PROSPECTUS NOR ANY SALE MADE HEREUNDER OR THEREUNDER SHALL, UNDER ANY CIRCUMSTANCES, CREATE ANY IMPLICATION THAT THE INFORMATION CONTAINED HEREIN OR THEREIN IS CORRECT AS OF ANY TIME SUBSEQUENT TO THE DATE OF SUCH INFORMATION.

TABLE OF CONTENTS

<TABLE>
<CAPTION>

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$300,000,000

APPLE COMPUTER, INC.

% NOTES DUE 2004

[LOGO]

GOLDMAN, SACHS & CO.

CITICORP SECURITIES, INC.

CS FIRST BOSTON

MORGAN STANLEY & CO.
INCORPORATED

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