



**DEFENDANT'S EXHIBIT  
NO. 413.001**

United States District Court  
Northern District of California  
No. 12-CV-00630-LHK (PSG)  
*Apple v. Samsung*

Date Admitted: \_\_\_\_\_ By: \_\_\_\_\_

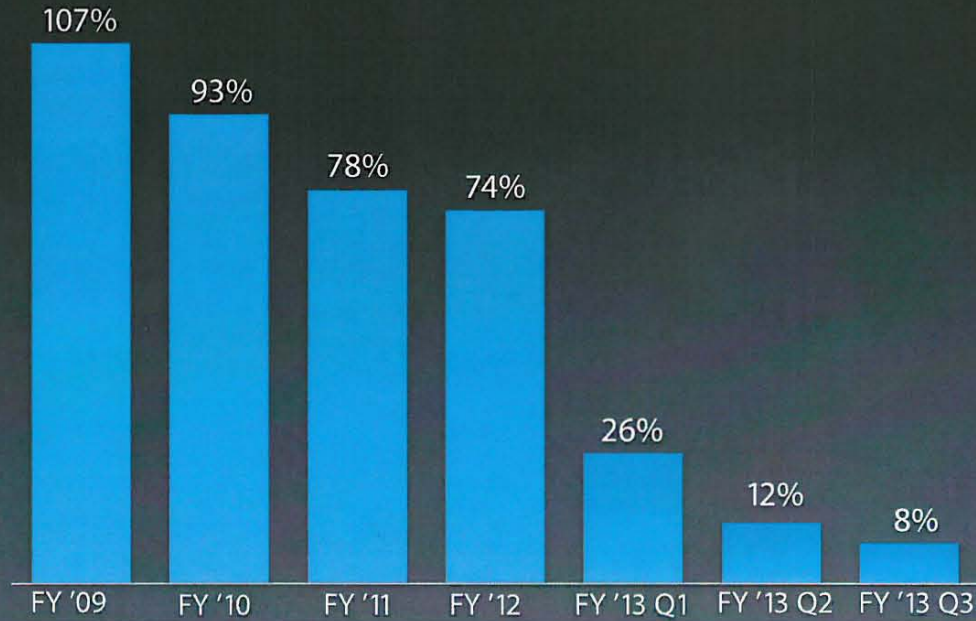
# FY'14 Planning Offsite

Calistoga, CA  
April 2 to 4, 2013



... growth rates are slowing

iPhone ST Y/Y Unit Growth



Apple Confidential — Need to Know

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The low case was built reviewing IDC TAM and price bands (assumed flat bands in most developed markets & China, and a downward shift in mix in most developing markets). The high case view is a different lens from product marketing that revised up IDC TAM and made some additional assumptions based on product portfolio. The high case view was only built to FY'14 and we trended to 25% growth for FY'15



# So what is going on?

## Consumers



- Strongest demand coming from less expensive & larger screen smartphones

## Carriers



- Carriers have strong interest in capping iPhone due to one or more factors...
  - High share
  - Subsidy premium
  - "Unfriendly" policies
  - Lack of alignment

## Competitors



- Competitors have drastically improved their hardware and in some cases their ecosystems
- Spending "obscene" amounts of money on advertising and/or carrier/channel to gain traction

# Consumers want what we don't have

