



Compliance Report based on:

AAOIFI Shariah Mandate

Apple Inc. (AAPL:NASD)

Description

Apple Inc. (Apple), along with its subsidiaries is engaged in designs, manufactures and markets mobile communication and media devices, personal computers, and portable digital music players, and sells a range of related software, services, peripherals, networking solutions, and third-party digital content and applications. The Company™s products and services include iPhone, iPad, Mac, iPod, Apple TV, a portfolio of consumer and professional software applications, the iOS and Mac OS X operating systems, iCloud, and a range of accessory, service and support offerings. It also sells and delivers digital content and applications through the iTunes Store, App Store, iBookstore, and Mac App Store. During the year ended November 24, 2011, the Company, as part of a consortium, acquired Nortel Networks Corporation™s patent portfolio. In February 2012, the Company acquired app-search engine Chomp.

Company Status

IdealRatings analysts have issued a report regarding the company:

Name:	Apple Inc.	Core Business Activity:	Computer Hardware
Ticker:	AAPL:NASD	Exchange:	NASDAQ
ISIN:	US0378331005	Compliance Status:	PASS
Country:	United States		

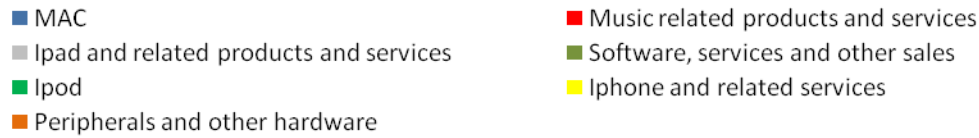
IdealRatings reviewed the most recent financial statement (2012 Q 1) for Apple Inc.

This report has been prepared to determine the Shariah compliance status of the company based on the AAOIFI Shariah mandate.

Business Screening:

Based on the business of the company the core business is in the computer hardware business. The company is also in the digital content business through its iTunes store. Based on the most recent available financial statement of the company the revenue segmentation is as follows:

Apple Inc. Revenue Segmentation Q1-2012



(Source: Apple Inc. Q1-2012 Financial Statement)

According to Shariah scholars revenue from entertainment activities such as cinema, broadcasting and music is to be considered non-compliant and thus the category of “Music related products and services” has to be further investigated.

According to the segmentation of the category “Music related products and services” achieved a total sales figure of \$ 2.027 billion and includes sales from:

- iTunes Store (music and movies)
- App Store
- iBook Store
- iPod services and accessories

Based on the FY Q1-2012 statement on page 29 iTunes Store generated net sales of \$ 1.7 billion which is 84 % of “ Music related products and services “ category or 3.66% of total income of the company.

Based on the annual published figures the interest income percentage represents 0.4771% of the total income. Since Apple Inc. does not publish interest income details on a quarterly basis this figure is to be used. Conservatively if we consider the increase in cash, cash equivalent and marketable securities between the annual balance sheet and the quarterly balance sheet as well as the fact that according to the Apple statements in 2011 the weighted average interest income has been 0.77% within the annual fiscal period and within the current quarter is at a rate of 1.02%, the interest income conservatively would be 0.5696%.

Taking the values from non-permissible income sources such as movies and music downloads as well as non-operating interest income into consideration; the status of the company from a business activity is as follows:

	Threshold	Company	Compliance
Non-permissible Income	5%	Less than 5%	PASS

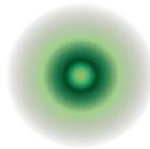
Financial Screening:

According to the most recent financial statement (2012 Q 1), the financial ratios with respect to the AAOIFI Shariah mandate for the company are as follows:

	Threshold	Company	Compliance
Interest-bearing Investments	30%	7.7%	PASS
Interest-bearing Debts	30%	0%	PASS
Liquidity	67%	19.32%	PASS
Share Type (Pref/Common)	False	False	PASS

Compliance Status:

Based on the available information and the above figures according to the AAOIFI Shariah mandate Apple Inc. is to be considered Shariah-compliant.



Disclosures

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