



Compliance Report based on:

AAOIFI Shariah Guidelines



Apple Inc. (AAPL US)

Description

Apple Inc. designs, manufactures and markets a range of personal computers, mobile communication and media devices, and portable digital music players, and sells a range of related software, services, peripherals, networking solutions, and third-party digital content and applications. It's products and services include Macintosh (Mac) computers, iPhone, iPad, iPod, Apple TV, Xserve, a portfolio of consumer and professional software applications, the Mac OS X and iOS operating systems, third-party digital content and applications through the iTunes Store, and a range of accessory, service and support offerings.

Company Status

IdealRatings analysts have issued a report regarding the company:

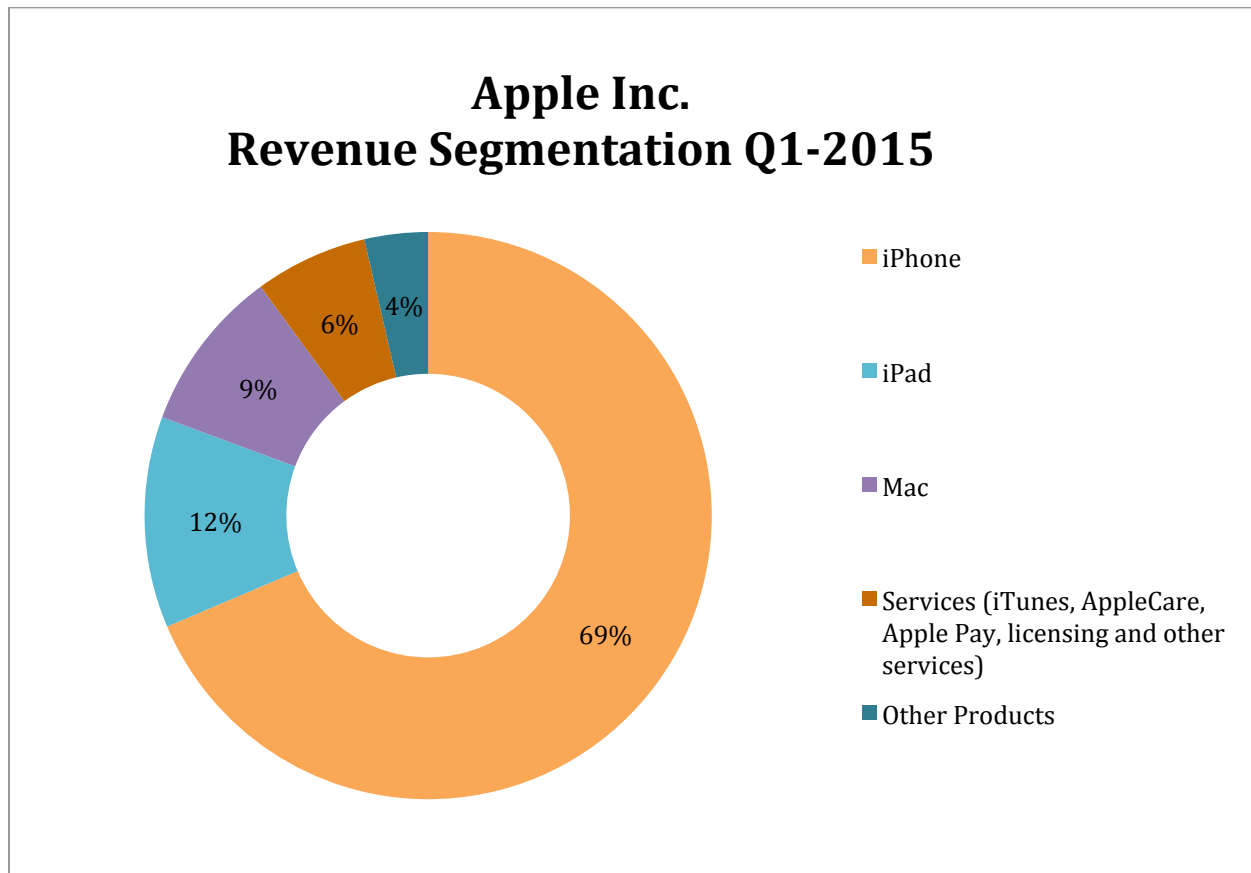
Name:	Apple Inc.	Core Business Activity:	Computer Hardware
Ticker:	AAPL US	Exchange:	NASDAQ
ISIN:	US0378331005	Compliance Status:	PASS
Country:	United States		

IdealRatings reviewed the most recent financial statement (2015 Q1) for Apple Inc.

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

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:



(Source: Apple Inc. Q1-2015 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 “Services” has to be further investigated.

According to the segmentation of the category “Services” achieved a total sales figure of \$4.799 billion and includes sales from:

- iTunes
- AppleCare
- Apple Pay
- Licensing and other services

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Based on the FY Q1-2015 statement, iTunes generated net sales of \$2.6 billion which is 54.17% of “Services“ category or 3.45% of total income of the company.

Based on the quarter published figures, interest income generated from bank deposits and debt securities represents 0.86% of the total income. 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:

The status of the company from a business activity is as follows:

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

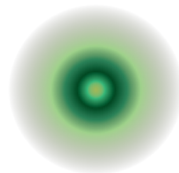
Financial Screening:

According to the most recent financial statement (2015 Q1), the financial ratios with respect to the AAOIFI Shariah mandate for the company are as follows:

	Threshold	Company	Compliance
Interest-bearing Investments	30%	20.71%	PASS
Interest-bearing Debts	30%	23.22%	PASS
Liquidity	67%	18.88%	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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