Apple CEO Promises Investors 'Great Stuff' to Come

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CUPERTINO, Calif. (AP) — Apple CEO Tim Cook sought to assure shareholders Wednesday that the company is working on some "great stuff" that may help reverse a sharp decline in its stock price.

True to Apple's secretive nature, Cook didn't provide any further product details during the company's annual shareholders meeting Wednesday. There has been speculation that Apple is working on an Internet-connected watch or TV, while one shareholder recommended that Apple develop a computerized bicycle. Cook, an avid bicyclist, chuckled at the suggestion, along with the rest of the audience.

Apple's stock fell $5.20, or 1.2 percent, to $443.77 in afternoon trading Wednesday.

Wednesday's meeting at Apple Inc.'s Cupertino, Calif., headquarters was less celebratory than the events in past years, when Apple's stock price was soaring to the delight and enrichment of its shareholders.

Since hitting an all-time high of $705.07 five months ago, Apple's stock has plunged by more than a third. The decline has wiped out collective shareholder wealth totaling $240 billion — an amount that exceeds the total market value of Microsoft Corp., which reigned as the most influential company in personal computing until Apple ushered in an era of more mobile devices with the 2007 release of the iPhone and the 2010 introduction of the iPad.

Apple hasn't unveiled another trailblazing product line since the October 2011 death of its former CEO and co-founder Steve Jobs. The void has raised worries about whether the company is losing the creative edge that has set it apart from the rest of the technology pack.

The agenda for this year's meeting had been revised because of shareholder unrest. Influential investor David Einhorn, who runs the Greenlight Capital hedge fund, won a court ruling last week that prompted Apple to withdraw a proposal that would have required Apple to gain shareholder approval before issuing preferred stock that could distribute more cash to its stockholders. Einhorn's fund owns 1.3 million Apple shares.

Einhorn sued to block the proposal because he doesn't want Apple to erect a

bureaucratic hurdle that could make it more cumbersome for the company to issue preferred stock. He wants Apple to issue preferred shares called "iPrefs" that would yield an annual dividend of 4 percent.

Shareholder pressure prompted Apple to start paying a dividend of $2.65 per share on its common stock last year. That translates into $10 billion in annual dividend payments, but Einhorn believes the company should be dispensing even more money rather than let more cash accumulate in its bank accounts. Apple began this year with $137 billion, up from nearly $98 billion at the start of 2012. The amount keeps growing as Apple sells more iPads and iPhones.

Cook told shareholders Wednesday that Apple's board is still exploring what to do with its cash, but he continued to play down Einhorn's lawsuit.

"I strongly believe it was a silly sideshow, regardless of how the judge ruled on it," Cook said.

Although Apple is selling more gadgets than ever before, the company's profits and sales aren't growing as robustly because of fiercer competition from a multitude of other smartphones and tablet computers that typically cost less. Apple's biggest headaches have been caused by Android, a mobile operating system that Internet search leader Google Inc. gives away to a long list of device makers led by Samsung Electronics.

Cook said he didn't care if Android was on more devices, saying the company remained committed to building the best products. He also said Apple made the right decision in making a smaller version of the iPad, called the Mini, even if that took sales away from the full-size iPad.

"If we don't cannibalize (sales), somebody else will," he said.

Competitors to the iPad Mini include various Android devices such as Google Inc.'s Nexus 7 and the smaller version of Amazon.com Inc.'s Kindle Fire.

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