

Ahead of the Bell: Apple's Fiscal 4Q Review Coming

Associated Press

CUPERTINO, Calif. (AP) — Apple's latest quarterly report is expected to show the company's earnings are still falling as rival products siphon sales away from the iPhone and iPad.



The fiscal fourth-quarter results, due out after the stock market closes Monday, are likely to serve as the latest reminder about the stiffening competition facing Apple Inc. at a time when the company's well of innovation has apparently run dry.

If analysts' projections pan out, this will be the third consecutive quarter in which Apple's earnings have fallen from the previous year. The average analyst forecast calls for net income of \$7.2 billion, or \$7.92 per share, a 12 percent drop from \$8.2 billion, or \$8.67 per share, at the same time last year. Revenue is expected to edge up by about 3 percent to nearly \$37 billion.

Apple's earnings slump has followed a decade-long streak of steadily rising profits that began shortly after the Cupertino, Calif., company released its first iPod in 2001.

That happened when the Apple co-founder and chief visionary Steve Jobs was cooking up ideas that led to the introduction of the iPhone in 2007 and the iPad in 2010. Since Jobs died two years ago after a long battle with cancer, Apple has just been releasing incremental improvements in those products instead of breaking new ground in new categories.

At the same time, Apple competitors such as Google Inc., Samsung Electronics, Amazon.com Inc. and Microsoft Corp. have come up with their own mobile devices that match many of the features in the iPhone and iPad at lower prices.

Those forces have combined to erode Apple's market share and depressed its stock

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price, which is now about 25 percent below its peak reached 13 months ago.

Apple released two new iPhones just before the end of last month, and the sales were brisk. The company said 9 million of the new iPhones, the 5C and 5S, were sold during their first weekend on the market — more than any other previous model during the first three days on sale.

The latest full-size iPad, a thinner and lighter version called Air, is scheduled to go on sale Nov. 1 followed by an upgrade of the smaller iPad Mini at a still-to-be-determined date next month.

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