

# **EXHIBIT 19**

# Summary of Apple's Damages Calculations

Prepared by Invotex Group

**PLAINTIFF'S EXHIBIT NO. 25A1**

United States District Court  
Northern District of California  
No. 11-CV-01846-LHK (PSG)

Apple Inc. v. Samsung Elecs.

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

Apple Inc. v. Samsung Electronics Co., LTD., et al.

**Table of Two Damages Scenarios**

**Apple's Lost Profits, Samsung's Profits,  
and Reasonable Royalty**

|                              |           |                      |
|------------------------------|-----------|----------------------|
| Apple's Lost Profits Portion | \$        | 488,777,933          |
| Samsung's Profits Portion    |           | 2,240,567,255        |
| Reasonable Royalty Portion   |           | 21,244,907           |
| <b>Total</b>                 | <b>\$</b> | <b>2,750,590,095</b> |

**Samsung's Profits and Reasonable Royalty**



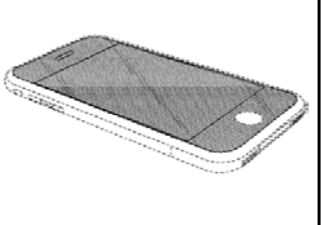
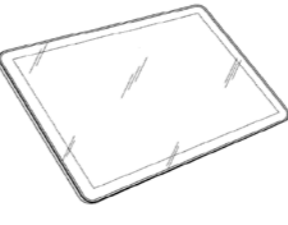
|                            |           |                      |
|----------------------------|-----------|----------------------|
| Samsung's Profits Portion  | \$        | 2,481,102,629        |
| Reasonable Royalty Portion |           | 22,844,274           |
| <b>Total</b>               | <b>\$</b> | <b>2,503,946,903</b> |

Note: Damages calculated from start of violation of unregistered trade dress; for registered trade dress, design patents and utility patents damages calculated as of the first unlawful sale occurring on or after August 4, 2010.

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**Samsung Accused Products vs. Apple's Asserted Intellectual Property**

| #  | Accused Products            | Utility Patents |      |      |
|----|-----------------------------|-----------------|------|------|
|    |                             | '163            | '381 | '915 |
| 1  | Captivate                   | x               | x    | x    |
| 2  | Continuum                   | x               | x    | x    |
| 3  | Droid Charge                | x               | x    | x    |
| 4  | Epic 4G                     | x               | x    | x    |
| 5  | Exhibit 4G                  | x               | x    | x    |
| 6  | Fascinate                   | x               | x    | x    |
| 7  | Galaxy Ace                  | x               | x    | x    |
| 8  | Galaxy Prevail              | x               | x    | x    |
| 9  | Galaxy S (i9000)            | x               | x    | x    |
| 10 | Galaxy S 4G                 | x               | x    | x    |
| 11 | Galaxy S II (AT&T)          | x               | x    | x    |
| 12 | Galaxy S II (i9100)         | x               | x    | x    |
| 13 | Galaxy S II (T-Mobile)      | x               |      | x    |
| 14 | Galaxy S II (Epic 4G Touch) |                 |      |      |
| 15 | Galaxy S II (Skyrocket)     |                 |      |      |
| 16 | Galaxy S Showcase (i500)    |                 |      |      |
| 17 | Galaxy Tab                  | x               | x    | x    |
| 18 | Galaxy Tab 10.1 (WiFi)      | x               | x    | x    |
| 19 | Galaxy Tab 10.1 (4G LTE)    | x               | x    | x    |
| 20 | Gem                         | x               | x    | x    |
| 21 | Indulge                     | x               | x    | x    |
| 22 | Infuse 4G                   | x               | x    | x    |
| 23 | Intercept                   | x               | x    | x    |
| 24 | Mesmerize                   | x               | x    | x    |
| 25 | Nexus S 4G                  | x               | x    | x    |
| 26 | Replenish                   | x               | x    | x    |
| 27 | Transform                   | x               |      | x    |
| 28 | Vibrant                     | x               | x    | x    |

| Design Patents   |   |   |   |
|--|---|---|---|
| 'D087  | 'D305   | 'D677   | 'D889   |
|  |  |  |  |
|  | x   |   |   |
|  | x   |   |   |
|  | x   |   |   |
|  | x   |   |   |
|  | x   |   |   |
|  | x   | x   |   |
|  |   | x   |   |
| x  | x   | x   |   |
| x  | x   | x   |   |
| x  |   | x   |   |
| x  |   | x   |   |
| x  |   | x   |   |
| x  |   | x   |   |
|  | x   | x   |   |
|  |   |   | x   |
|  |   |   | x   |
|  | x   |   |   |
|  | x   |   |   |
| x  | x   | x   |   |
|  |   |   |   |
|  | x   | x   |   |
|  |   |   |   |
| x  | x   | x   |   |

| Trade Dress   |   |   |   |
|---|---|---|---|
| iPhone 3G   | iPhone / iPhone 3G / iPhone 4   | iPad and iPad 2   | '983  |
|  |  |  |  |
| x   | x   |   | x   |
| x   | x   |   | x   |
| x   | x   |   | x   |
| x   | x   |   | x   |
|   |   |   |   |
| x   | x   |   | x   |
|   | x   |   |   |
| x   | x   |   | x   |
| x   | x   |   | x   |
| x   | x   |   | x   |
| x   | x   |   | x   |
| x   | x   |   | x   |
| x   | x   |   | x   |
|   |   | x   |   |
|   |   | x   |   |
|   |   |   |   |
| x   | x   |   | x   |
|   |   |   |   |
| x   | x   |   | x   |
|   |   |   |   |
| x   | x   |   | x   |

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## Apple's Damages Per Samsung Product (Apple's Lost Profits, Samsung's Profits, and Reasonable Royalty)

See Damages Period Below 1/

| Product                     | Apple's Lost Profits | Samsung's Profits<br>Design and Trade Dress | Reasonable Royalty  | Total                  |
|-----------------------------|----------------------|---|---------------------|------------------------|
| Captivate                   | \$204,416,141        | \$80,875,138                                |                     | \$285,291,279          |
| Continuum                   | \$6,968,546          | \$38,394,243                                |                     | \$45,362,789           |
| Droid Charge                | \$37,618,271         | \$106,195,729                               |                     | \$143,814,000          |
| Epic 4G                     | \$31,188,642         | \$306,955,837                               |                     | \$338,144,479          |
| Exhibit 4G                  | \$0                  |   | \$2,163,641         | \$2,163,641            |
| Fascinate                   | \$47,703,423         | \$239,589,391                               |                     | \$287,292,814          |
| Galaxy Ace                  | \$0                  | \$0   |                     | \$0                    |
| Galaxy Prevail              | \$8,573,370          | \$142,893,684                               |                     | \$151,467,054          |
| Galaxy S (i9000)            | \$0                  | \$0   |                     | \$0                    |
| Galaxy S 4G                 | \$13,856,419         | \$148,720,623                               |                     | \$162,577,042          |
| Galaxy S II (AT&T)          | \$0                  | \$101,235,891                               |                     | \$101,235,891          |
| Galaxy S II (Epic 4G Touch) | \$0                  | \$250,817,469                               |                     | \$250,817,469          |
| Galaxy S II (i9100)         |                      |   |                     | \$0                    |
| Galaxy S II (Skyrocket)     | \$0                  | \$80,683,895                                |                     | \$80,683,895           |
| Galaxy S II (T-Mobile)      | \$0                  | \$209,479,270                               |                     | \$209,479,270          |
| Galaxy S Showcase (i500)    | \$850,630            | \$52,878,789                                |                     | \$53,729,419           |
| Galaxy Tab                  | \$19,758,093         |   | \$2,985,072         | \$22,743,164           |
| Galaxy Tab 10.1 (4G LTE)    | \$0                  | \$23,157,629                                |                     | \$23,157,629           |
| Galaxy Tab 10.1 (WiFi)      | \$604,391            | \$34,468,520                                |                     | \$35,072,911           |
| Gem                         | \$4,772,044          | \$9,812,539                                 |                     | \$14,584,583           |
| Indulge                     | \$3,997,563          | \$37,990,715                                |                     | \$41,988,278           |
| Infuse 4G                   | \$44,404,466         | \$91,228,491                                |                     | \$135,632,957          |
| Intercept                   | \$11,103,621         |   | \$4,296,259         | \$15,399,880           |
| Mesmerize                   | \$9,667,526          | \$108,640,214                               |                     | \$118,307,740          |
| Nexus S 4G                  | \$9,126,938          |   | \$3,463,885         | \$12,590,824           |
| Replenish                   | \$7,266,720          |   | \$6,547,080         | \$13,813,800           |
| Transform                   | \$7,846,846          |   | \$1,788,970         | \$9,635,816            |
| Vibrant                     | \$19,054,281         | \$176,549,189                               |                     | \$195,603,469          |
| <b>Total</b>                | <b>\$488,777,933</b> | <b>\$2,240,567,255</b>                      | <b>\$21,244,907</b> | <b>\$2,750,590,095</b> |

**Sources/Notes:**

1/ Damages calculated from start of violation of unregistered trade dress; for registered trade dress, design patents and utility patents damages calculated as of the first unlawful sale occurring on or after August 4, 2010.

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## Apple's Damages Per Samsung Product (Samsung's Profits and Reasonable Royalty)

See Damages Period Below 1/

| Product                     | Samsung's Profits<br>Design and Trade Dress | Reasonable Royalty  | Total                  |
|-----------------------------|---|---------------------|------------------------|
| Captivate                   | \$202,100,404                               |                     | \$202,100,404          |
| Continuum                   | \$40,997,793                                |                     | \$40,997,793           |
| Droid Charge                | \$126,682,172                               |                     | \$126,682,172          |
| Epic 4G                     | \$325,452,234                               |                     | \$325,452,234          |
| Exhibit 4G                  | \$0   | \$2,163,641         | \$2,163,641            |
| Fascinate                   | \$267,735,061                               |                     | \$267,735,061          |
| Galaxy Ace                  | \$0   |                     | \$0                    |
| Galaxy Prevail              | \$144,668,457                               |                     | \$144,668,457          |
| Galaxy S (i9000)            | \$0   |                     | \$0                    |
| Galaxy S 4G                 | \$155,204,780                               |                     | \$155,204,780          |
| Galaxy S II (AT&T)          | \$101,235,891                               |                     | \$101,235,891          |
| Galaxy S II (Epic 4G Touch) | \$250,817,469                               |                     | \$250,817,469          |
| Galaxy S II (i9100)         | \$0   |                     | \$0                    |
| Galaxy S II (Skyrocket)     | \$80,683,895                                |                     | \$80,683,895           |
| Galaxy S II (T-Mobile)      | \$209,479,270                               |                     | \$209,479,270          |
| Galaxy S Showcase (i500)    | \$53,518,267                                |                     | \$53,518,267           |
| Galaxy Tab                  | \$0   | \$3,933,382         | \$3,933,382            |
| Galaxy Tab 10.1 (4G LTE)    | \$23,157,629                                |                     | \$23,157,629           |
| Galaxy Tab 10.1 (WiFi)      | \$34,504,887                                |                     | \$34,504,887           |
| Gem                         | \$10,188,963                                |                     | \$10,188,963           |
| Indulge                     | \$40,027,960                                |                     | \$40,027,960           |
| Infuse 4G                   | \$111,982,436                               |                     | \$111,982,436          |
| Intercept                   | \$0   | \$4,484,025         | \$4,484,025            |
| Mesmerize                   | \$114,099,746                               |                     | \$114,099,746          |
| Nexus S 4G                  | \$0   | \$3,656,594         | \$3,656,594            |
| Replenish                   | \$0   | \$6,700,512         | \$6,700,512            |
| Transform                   | \$0   | \$1,906,120         | \$1,906,120            |
| Vibrant                     | \$188,565,314                               |                     | \$188,565,314          |
| <b>Total</b>                | <b>\$2,481,102,629</b>                      | <b>\$22,844,274</b> | <b>\$2,503,946,903</b> |

**Sources/Notes:**

1/ Damages calculated from start of violation of unregistered trade dress; for registered trade dress, design patents and utility patents damages calculated as of the first unlawful sale occurring on or after August 4, 2010.

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**Summary of Samsung Accused Products**

| #  | Accused Products            | Model No. | Model No. per Samsung Sales Data 1/  | Carrier 2/                                  |
|----|-----------------------------|-----------|--|---|
| 1  | Captivate                   | SGH-I897  | Captivate (SGH-I897)   | AT&T  |
| 2  | Continuum                   | SCH-I400  | Continuum (SCH-I400)   | Verizon                                     |
| 3  | Droid Charge                | SCH-I510  | Droid Charge (SCH-I510)  | Verizon                                     |
| 4  | Epic 4G                     | SPH-D700  | Epic 4G (SPH-D700)   | Sprint                                      |
| 5  | Exhibit 4G                  | SGH-T759  | Exhibit 4G (SGH-T759)  | T-Mobile                                    |
| 6  | Fascinate                   | SCH-I500  | Fascinate (SCH-I500)   | Verizon                                     |
| 7  | Galaxy Ace                  | GT-S5830  | Galaxy Ace (GT-S5830, GT-S5838, SCH-I579, SCH-I589, SHW-M240S)                           | n/a   |
| 8  | Galaxy Prevail              | SPH-M820  | Galaxy Prevail (SPH-M820)  | Sprint & Boost                              |
| 9  | Galaxy S (i9000)            | GT-I9000  | Galaxy S (I9000) (GT-I9000, GT-I9001, GT-I9008, GT-I9018, SCH-I909, SGH-N013, SHW-M110S) | n/a   |
| 10 | Galaxy S 4G                 | SGH-T959  | Galaxy S 4G (SGH-T959)   | T-Mobile                                    |
| 11 | Galaxy S II (AT&T)          | SGH-I777  | Galaxy S II/2 (GT-I9100, GT-I9108, SGH-I177, SGH-N033, SHW-M250K, SHW-M250S)             | AT&T  |
| 12 | Galaxy S II (i9100)         | GT-I9100  | n/a  | n/a   |
| 13 | Galaxy S II (T-Mobile)      | SGH-T989  | Hercules (SGH-T989)  | T-Mobile                                    |
| 14 | Galaxy S II (Epic 4G Touch) | SPH-D710  | Epic 4G Touch (SPH-D710)   | Sprint                                      |
| 15 | Galaxy S II (Skyrocket)     | SGH-I727  | Galaxy S2 Skyrocket (SGH-1727)   | AT&T  |
| 16 | Galaxy S Showcase (i500)    | SCH-I500  | Showcase (SCH-I500)  | Cell South & Other                          |
| 17 | Galaxy Tab                  | P1, P2    | Galaxy Tab 7.0 (3G) (P1, P2)   | AT&T, Sprint, T-Mobile, Verizon, USC, Other |
| 18 | Galaxy Tab 10.1 (WiFi)      | GT-P7510  | Galaxy Tab 10.1 (GT-P7510, GT-P7511, SHW-M380W)  | Sprint, Verizon, Other                      |
| 19 | Galaxy Tab 10.1 (4G LTE)    | SCH-I905  | Galaxy Tab 10.1 LTE (SCH-I905, SGH-N014)   | Verizon, USC                                |
| 20 | Gem                         | SCH-I100  | Gem (SCH-I100)   | Verizon, USC, Others                        |
| 21 | Indulge                     | SCH-R910  | Indulge (SCH-R910)   | Metro PCS                                   |
| 22 | Infuse 4G                   | SGH-I997  | Infuse 4G (SGH-I997)   | AT&T  |
| 23 | Intercept                   | SPH-M910  | Intercept (SPH-M910)   | Sprint & Virgin Mobile                      |
| 24 | Mesmerize                   | SCH-I500  | Mesmerize (SCH-I500)   | USC   |
| 25 | Nexus S 4G                  | SPH-D720  | Nexus S 4G (SPH-D720)  | Sprint                                      |
| 26 | Replenish                   | SPH-M580  | Replenish (SPH-M580)   | Sprint & Boost                              |
| 27 | Transform                   | SPH-M920  | Transform (SPH-M920)   | Sprint                                      |
| 28 | Vibrant                     | SGH-T959  | Vibrant (SGH-T959)   | T-Mobile                                    |

**Source/Notes:**

1/ SAMNDCA00402075.

2/ SAMNDCA00402076.

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**Mor-Flo Analysis - Tablets**

| <i>(Units in Thousands)</i>       | 2010 Q2 | 2010 Q3 | 2010 Q4 | 2011 Q1 | 2011 Q2 | 2011 Q3 | 2011 Q4 |
|-----------------------------------|---------|---------|---------|---------|---------|---------|---------|
| <b>Tablet Market Share 1/</b>     |         |         |         |         |         |         |         |
| Apple Units Sold                  | 2,217   | 1,957   | 3,606   | 1,941   | 4,308   | 3,791   | 6,173   |
| Apple Market Share %              | 96.8%   | 79.1%   | 75.0%   | 71.2%   | 73.0%   | 60.0%   | 73.7%   |
| Samsung Units Sold                | -       | -       | 560     | 235     | 121     | 135     | 166     |
| Samsung Market Share %            | 0.0%    | 0.0%    | 11.6%   | 8.6%    | 2.1%    | 2.1%    | 2.0%    |
| Other Manufacturer Units Sold     | 72      | 518     | 643     | 551     | 1,473   | 2,392   | 2,036   |
| Other Manufacturer Market Share % | 3.2%    | 20.9%   | 13.4%   | 20.2%   | 25.0%   | 37.9%   | 24.3%   |
| Total Market Units Sold           | 2,289   | 2,476   | 4,809   | 2,728   | 5,901   | 6,318   | 8,375   |
| Total Market Share %              | 100%    | 100%    | 100%    | 100%    | 100%    | 100%    | 100%    |

| <b>Samsung Accused Tablet Unit Sales to Be Deducted</b> |      |      |       |       |        |        |        |
|---|------|------|-------|-------|--------|--------|--------|
| Samsung Accused Unit Sales                              | -    | -    | 262   | 77    | 266    | 293    | 347    |
| % of Samsung IDC Estimates                              | 0.0% | 0.0% | 46.8% | 32.8% | 219.3% | 216.4% | 209.1% |
| % of Total Market                                       | 0.0% | 0.0% | 5.4%  | 2.8%  | 2.1%   | 2.1%   | 2.0%   |

| <b>Tablet Market Share After Mor-Flo Adjustments 2/</b> |       |       |       |       |       |       |       |
|---|-------|-------|-------|-------|-------|-------|-------|
| Apple Units Sold  | 2,217 | 1,957 | 3,606 | 1,941 | 4,308 | 3,791 | 6,173 |
| Apple Market Share %                                    | 96.8% | 79.1% | 79.3% | 73.2% | 74.5% | 61.3% | 75.2% |
| Samsung Units Sold                                      | -     | -     | 298   | 158   | -     | -     | -     |
| Samsung Market Share %                                  | 0.0%  | 0.0%  | 6.6%  | 6.0%  | 0.0%  | 0.0%  | 0.0%  |
| Other Manufacturer Units Sold                           | 72    | 518   | 643   | 551   | 1,473 | 2,392 | 2,036 |
| Other Manufacturer Market Share %                       | 3.2%  | 20.9% | 14.1% | 20.8% | 25.5% | 38.7% | 24.8% |
| Total Market Units Sold                                 | 2,289 | 2,476 | 4,547 | 2,651 | 5,780 | 6,183 | 8,209 |
| Total Market Share %                                    | 100%  | 100%  | 100%  | 100%  | 100%  | 100%  | 100%  |

**Sources/Notes:**

- 1/ IDC Worldwide Quarterly Media Tablet Tracker, Q4 2011 , tab "Pivot Table' (APLNDC-Z0000000003). Data was filtered by 'Product Category: Media Tablet' and 'Region: USA'.
- 2/ Tablet Market Share after Mor-Flo is calculated after subtracting accused Samsung tablet units from Samsung units in the market. For 2011 Q2, 2011 Q3 and 2011 Q4, there are more Samsung accused tablet units than IDC estimates, thus Samsung units sold after the deduction of accused units was changed to 0 (from a negative units calculation).



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**Mor-Flo Analysis - Smartphones**

| <i>(Units in Thousands)</i>       | 2010 Q1 | 2010 Q2 | 2010 Q3 | 2010 Q4 | 2011 Q1 | 2011 Q2 | 2011 Q3 | 2011 Q4 | 2012 Q1 |
|-----------------------------------|---------|---------|---------|---------|---------|---------|---------|---------|---------|
| <b>Smartphone Market Share 1/</b> |         |         |         |         |         |         |         |         |         |
| Apple Units Sold                  | 2,550   | 2,772   | 4,924   | 3,776   | 6,830   | 6,256   | 4,807   | 14,757  | 10,722  |
| Apple Market Share %              | 20.2%   | 19.3%   | 23.7%   | 17.2%   | 29.5%   | 24.7%   | 20.0%   | 45.3%   | 38.1%   |
| Samsung Units Sold                | 720     | 714     | 2,950   | 2,750   | 2,328   | 3,750   | 4,597   | 6,251   | 6,118   |
| Samsung Market Share %            | 5.7%    | 5.0%    | 14.2%   | 12.5%   | 10.1%   | 14.8%   | 19.2%   | 19.2%   | 21.7%   |
| Other Manufacturer Units Sold     | 9,383   | 10,873  | 12,933  | 15,409  | 14,001  | 15,341  | 14,595  | 11,561  | 11,306  |
| Other Manufacturer Market Share % | 74.2%   | 75.7%   | 62.2%   | 70.2%   | 60.5%   | 60.5%   | 60.8%   | 35.5%   | 40.2%   |
| Total Market Units Sold           | 12,653  | 14,359  | 20,806  | 21,935  | 23,158  | 25,347  | 23,999  | 32,569  | 28,146  |
| Total Market Share %              | 100%    | 100%    | 100%    | 100%    | 100%    | 100%    | 100%    | 100%    | 100%    |

| <b>Samsung Accused Smartphone Unit Sales to Be Deducted</b> |      |       |       |       |       |        |       |       |       |
|---|------|-------|-------|-------|-------|--------|-------|-------|-------|
| Samsung Accused Unit Sales                                  | -    | 90    | 2,539 | 2,228 | 1,938 | 4,272  | 2,673 | 2,975 | 2,535 |
| % of Samsung IDC Estimates                                  | 0.0% | 12.6% | 86.1% | 81.0% | 83.2% | 113.9% | 58.1% | 47.6% | 41.4% |
| % of Total Market   | 0.0% | 0.6%  | 12.2% | 10.2% | 8.4%  | 14.8%  | 11.1% | 9.1%  | 9.0%  |

| <b>Smartphone Market Share After Mor-Flo Adjustment 2/</b> |        |        |        |        |        |        |        |        |        |
|--|--------|--------|--------|--------|--------|--------|--------|--------|--------|
| Apple Units Sold   | 2,550  | 2,772  | 4,924  | 3,776  | 6,830  | 6,256  | 4,807  | 14,757 | 10,722 |
| Apple Market Share %                                       | 20.2%  | 19.4%  | 27.0%  | 19.2%  | 32.2%  | 29.0%  | 22.5%  | 49.9%  | 41.9%  |
| Samsung Units Sold   | 720    | 623    | 411    | 522    | 390    | -      | 1,924  | 3,275  | 3,583  |
| Samsung Market Share %                                     | 5.7%   | 4.4%   | 2.2%   | 2.7%   | 1.8%   | 0.0%   | 9.0%   | 11.1%  | 14.0%  |
| Other Manufacturer Units Sold                              | 9,383  | 10,873 | 12,933 | 15,409 | 14,001 | 15,341 | 14,595 | 11,561 | 11,306 |
| Other Manufacturer Market Share %                          | 74.2%  | 76.2%  | 70.8%  | 78.2%  | 66.0%  | 71.0%  | 68.4%  | 39.1%  | 44.1%  |
| Total Market Units Sold                                    | 12,653 | 14,269 | 18,267 | 19,708 | 21,221 | 21,597 | 21,327 | 29,594 | 25,611 |
| Total Market Share %                                       | 100%   | 100%   | 100%   | 100%   | 100%   | 100%   | 100%   | 100%   | 100%   |

**Sources/Notes:**

- 1/ IDC Worldwide Quarterly Mobile Phone Tracker, Q1 2012, tab "Historical Pivot" (APLNDC-Y00000408211). Data was filtered by setting Country to "USA" and Device Type to "Smartphone."
- 2/ Smartphone Market Share after Mor-Flo is calculated after subtracting accused Samsung smartphone units from the Samsung units in the market. For 2011 Q2, there are more Samsung accused smartphone units than IDC estimates, thus Samsung units sold after the deduction of accused units was changed to 0 (from a negative units calculation).

Submitted Under Seal; Highly Confidential;  
Outside Counsel Eyes' Only

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**Smartphone Market Share by Carrier 1/ 2/**

| Carrier & Manufacturer  |                               | 2010 Q1     | 2010 Q2     | 2010 Q3     | 2010 Q4     | 2011 Q1     | 2011 Q2     | 2011 Q3     | 2011 Q4     |
|-------------------------|-------------------------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
| <b>AT&amp;T</b>         | Apple                         | 60%         | 65%         | 68%         | 63%         | 58%         | 52%         | 44%         | 63%         |
|                         | Samsung                       | 3%          | 0%          | 4%          | 6%          | 6%          | 10%         | 11%         | 12%         |
|                         | Others                        | 37%         | 35%         | 29%         | 32%         | 36%         | 38%         | 45%         | 24%         |
|                         | <i>AT&amp;T Total</i>         | <i>100%</i> | <i>100%</i> | <i>100%</i> | <i>100%</i> | <i>100%</i> | <i>100%</i> | <i>100%</i> | <i>100%</i> |
| <b>Verizon Wireless</b> | Apple                         | 0%          | 0%          | 0%          | 0%          | 38%         | 32%         | 34%         | 54%         |
|                         | Samsung                       | 3%          | 3%          | 2%          | 16%         | 9%          | 13%         | 13%         | 12%         |
|                         | Others                        | 97%         | 97%         | 98%         | 84%         | 53%         | 55%         | 53%         | 34%         |
|                         | <i>Verizon Wireless Total</i> | <i>100%</i> | <i>100%</i> | <i>100%</i> | <i>100%</i> | <i>100%</i> | <i>100%</i> | <i>100%</i> | <i>100%</i> |
| <b>T-Mobile</b>         | Apple                         | 0%          | 0%          | 0%          | 0%          | 0%          | 0%          | 0%          | 0%          |
|                         | Samsung                       | 6%          | 4%          | 13%         | 15%         | 15%         | 28%         | 33%         | 45%         |
|                         | Others                        | 94%         | 96%         | 87%         | 85%         | 85%         | 72%         | 67%         | 55%         |
|                         | <i>T-Mobile Total</i>         | <i>100%</i> | <i>100%</i> | <i>100%</i> | <i>100%</i> | <i>100%</i> | <i>100%</i> | <i>100%</i> | <i>100%</i> |
| <b>Sprint</b>           | Apple                         | 0%          | 0%          | 0%          | 0%          | 0%          | 0%          | 0%          | 36%         |
|                         | Samsung                       | 21%         | 22%         | 39%         | 28%         | 25%         | 42%         | 41%         | 32%         |
|                         | Others                        | 79%         | 78%         | 61%         | 72%         | 75%         | 58%         | 59%         | 32%         |
|                         | <i>Sprint Total</i>           | <i>100%</i> | <i>100%</i> | <i>100%</i> | <i>100%</i> | <i>100%</i> | <i>100%</i> | <i>100%</i> | <i>100%</i> |
| <b>Other Carriers</b>   | Apple                         | 0%          | 0%          | 0%          | 0%          | 0%          | 1%          | 1%          | 3%          |
|                         | Samsung                       | 7%          | 13%         | 20%         | 10%         | 8%          | 15%         | 10%         | 20%         |
|                         | Others                        | 93%         | 87%         | 80%         | 90%         | 92%         | 84%         | 89%         | 77%         |
|                         | <i>Other Carriers Total</i>   | <i>100%</i> | <i>100%</i> | <i>100%</i> | <i>100%</i> | <i>100%</i> | <i>100%</i> | <i>100%</i> | <i>100%</i> |

**Sources/Notes:**

- 1/ Strategy Analytics, "USA Smartphone Vendor & OS Shipments by Operator: Q4 2010" and "USA Smartphone Vendor & OS Shipments by Operator: Q4 2011."
- 2/ According to a Strategy Analytics representative, Sprint CDMA does not include their iDEN network which has been included in Other Carriers. Additionally, carriers such as Boost Mobile and Virgin Mobile are included within their parent company Sprint.

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**Smartphone Mor-Flo Analysis - AT&T**

| <i>(Units In Thousands)</i>         | 2010 Q1 | 2010 Q2 | 2010 Q3 | 2010 Q4 | 2011 Q1 | 2011 Q2 | 2011 Q3 | 2011 Q4 |
|-------------------------------------|---------|---------|---------|---------|---------|---------|---------|---------|
| <b>Manufacturer Market Share 1/</b> |         |         |         |         |         |         |         |         |
| Apple Units Sold                    | 2,800   | 3,300   | 5,400   | 4,400   | 3,700   | 3,600   | 2,750   | 6,500   |
| <i>Apple Market Share</i>           | 59.9%   | 64.5%   | 67.6%   | 62.8%   | 58.4%   | 51.6%   | 44.4%   | 63.4%   |
| Samsung Units Sold                  | 150     | -       | 300     | 400     | 350     | 700     | 650     | 1,250   |
| <i>Samsung Market Share</i>         | 3.2%    | 0.0%    | 3.8%    | 5.7%    | 5.5%    | 10.0%   | 10.5%   | 12.2%   |
| Others Units Sold                   | 1,723   | 1,814   | 2,290   | 2,209   | 2,281   | 2,681   | 2,790   | 2,500   |
| <i>Others Market Share</i>          | 36.9%   | 35.5%   | 28.7%   | 31.5%   | 36.0%   | 38.4%   | 45.1%   | 24.4%   |
| AT&T Total Units Sold               | 4,673   | 5,114   | 7,990   | 7,009   | 6,331   | 6,981   | 6,190   | 10,250  |
| <i>AT&amp;T Total</i>               | 100%    | 100%    | 100%    | 100%    | 100%    | 100%    | 100%    | 100%    |

|  |      |      |        |       |       |       |        |       |
|--|------|------|--------|-------|-------|-------|--------|-------|
| <b>Samsung Accused Smartphone Unit Sales To Be Deducted 2/</b> |      |      |        |       |       |       |        |       |
| Total Units  | -    | -    | 481    | 251   | 229   | 458   | 652    | 882   |
| <i>% of Strategy Analytic Estimates</i>                        | 0.0% | 0.0% | 160.5% | 62.8% | 65.5% | 65.4% | 100.3% | 70.5% |
| <i>% of Total Market</i>                                       | 0.0% | 0.0% | 3.8%   | 3.6%  | 3.6%  | 6.6%  | 10.5%  | 8.6%  |

|  |       |       |       |       |       |       |       |       |
|--|-------|-------|-------|-------|-------|-------|-------|-------|
| <b>Manufacturer Market Share After Mor-Flo Adjustment 3/</b> |       |       |       |       |       |       |       |       |
| Apple Units Sold   | 2,800 | 3,300 | 5,400 | 4,400 | 3,700 | 3,600 | 2,750 | 6,500 |
| <i>Apple Market Share</i>                                    | 59.9% | 64.5% | 70.2% | 65.1% | 60.6% | 55.2% | 49.6% | 69.4% |
| Samsung Units Sold   | 150   | -     | -     | 149   | 121   | 242   | -     | 368   |
| <i>Samsung Market Share</i>                                  | 3.2%  | 0.0%  | 0.0%  | 2.2%  | 2.0%  | 3.7%  | 0.0%  | 3.9%  |
| Others Units Sold  | 1,723 | 1,814 | 2,290 | 2,209 | 2,281 | 2,681 | 2,790 | 2,500 |
| <i>Others Market Share</i>                                   | 36.9% | 35.5% | 29.8% | 32.7% | 37.4% | 41.1% | 50.4% | 26.7% |
| AT&T Total Units Sold  | 4,673 | 5,114 | 7,690 | 6,758 | 6,102 | 6,523 | 5,540 | 9,368 |
| <i>AT&amp;T Total</i>  | 100%  | 100%  | 100%  | 100%  | 100%  | 100%  | 100%  | 100%  |

**Sources/Notes:**

- 1/ Strategy Analytics, "USA Smartphone Vendor & OS Shipments by Operator: Q4 2010" and "USA Smartphone Vendor & OS Shipments by Operator: Q4 2011."
- 2/ Sales limited to smartphones sold at AT&T, which include Captivate, Galaxy S II (Skyrocket), Galaxy S II (AT&T Edition, 4G) and Infuse 4G (see p. 8).
- 3/ Manufacturer Market Share percentage after Mor-Flo adjustment is calculated by subtracting accused Samsung AT&T smartphone units from AT&T sales estimated by Strategy Analytics. For the second and third quarter of 2010 and 2011, Samsung sold more AT&T smartphone units than Strategy Analytics estimates, thus Samsung Units Sold after accused unit deductions was changed to 0 (from a negative units calculation) to reflect this event.

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**Smartphone Mor-Flo Analysis - Verizon Wireless**

| <i>(Units In Thousands)</i>         | 2010 Q1 | 2010 Q2 | 2010 Q3 | 2010 Q4 | 2011 Q1 | 2011 Q2 | 2011 Q3 | 2011 Q4 |
|-------------------------------------|---------|---------|---------|---------|---------|---------|---------|---------|
| <b>Manufacturer Market Share 1/</b> |         |         |         |         |         |         |         |         |
| Apple Units Sold                    | -       | -       | -       | -       | 2,600   | 2,200   | 2,000   | 4,300   |
| Apple Market Share                  | 0.0%    | 0.0%    | 0.0%    | 0.0%    | 38.1%   | 31.7%   | 33.6%   | 53.8%   |
| Samsung Units Sold                  | 100     | 100     | 100     | 800     | 600     | 900     | 800     | 950     |
| Samsung Market Share                | 2.8%    | 2.6%    | 2.4%    | 15.7%   | 8.8%    | 13.0%   | 13.4%   | 11.9%   |
| Others Units Sold                   | 3,447   | 3,714   | 4,040   | 4,295   | 3,630   | 3,830   | 3,150   | 2,750   |
| Others Market Share                 | 97.2%   | 97.4%   | 97.6%   | 84.3%   | 53.1%   | 55.3%   | 52.9%   | 34.4%   |
| Verizon Total Units Sold            | 3,547   | 3,814   | 4,140   | 5,095   | 6,830   | 6,930   | 5,950   | 8,000   |
| Verizon Total                       | 100%    | 100%    | 100%    | 100%    | 100%    | 100%    | 100%    | 100%    |

|  |    |    |        |       |       |       |       |      |
|--|----|----|--------|-------|-------|-------|-------|------|
| <b>Samsung Accused Smartphone Unit Sales To Be Deducted 2/</b> |    |    |        |       |       |       |       |      |
| Total Units  | -  | -  | 541    | 660   | 168   | 710   | 283   | 92   |
| % of Strategy Analytic Estimates                               | 0% | 0% | 541.0% | 82.5% | 28.0% | 78.9% | 35.4% | 9.6% |
| % of Total Market  | 0% | 0% | 2.4%   | 12.9% | 2.5%  | 10.2% | 4.8%  | 1.1% |

|  |       |       |        |       |       |       |       |       |
|--|-------|-------|--------|-------|-------|-------|-------|-------|
| <b>Manufacturer Market Share After Mor-Flo Adjustment 3/</b> |       |       |        |       |       |       |       |       |
| Apple Units Sold   | -     | -     | -      | -     | 2,600 | 2,200 | 2,000 | 4,300 |
| Apple Market Share   | 0.0%  | 0.0%  | 0.0%   | 0.0%  | 39.0% | 35.4% | 35.3% | 54.4% |
| Samsung Units Sold   | 100   | 100   | -      | 140   | 432   | 190   | 517   | 858   |
| Samsung Market Share   | 2.8%  | 2.6%  | 0.0%   | 3.2%  | 6.5%  | 3.1%  | 9.1%  | 10.9% |
| Others Units Sold  | 3,447 | 3,714 | 4,040  | 4,295 | 3,630 | 3,830 | 3,150 | 2,750 |
| Others Market Share  | 97.2% | 97.4% | 100.0% | 96.8% | 54.5% | 61.6% | 55.6% | 34.8% |
| Verizon Total Units Sold                                     | 3,547 | 3,814 | 4,040  | 4,435 | 6,662 | 6,220 | 5,667 | 7,908 |
| Verizon Total  | 100%  | 100%  | 100%   | 100%  | 100%  | 100%  | 100%  | 100%  |

**Sources/Notes:**

- 1/ Strategy Analytics, "USA Smartphone Vendor & OS Shipments by Operator: Q4 2010" and "USA Smartphone Vendor & OS Shipments by Operator: Q4 2011".
- 2/ Sales limited to smartphones sold at Verizon include Continuum, Droid Charge and Fascinate (see p. 8).
- 3/ Manufacturer Market Share percentage after Mor-Flo adjustment is calculated by subtracting accused Samsung Verizon smartphone units from Verizon sales estimated by Strategy Analytics. For the third quarter of 2010, Samsung sold more Verizon smartphone units than Strategy Analytics estimates, thus Samsung Units Sold after accused unit deductions was changed to 0 (from a negative units calculation) to reflect this event.

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**Smartphone Mor-Flo Analysis - Sprint**

| <i>(Units In Thousands)</i>         | 2010 Q1 | 2010 Q2 | 2010 Q3 | 2010 Q4 | 2011 Q1 | 2011 Q2 | 2011 Q3 | 2011 Q4 |
|-------------------------------------|---------|---------|---------|---------|---------|---------|---------|---------|
| <b>Manufacturer Market Share 1/</b> |         |         |         |         |         |         |         |         |
| Apple Units Sold                    | -       | -       | -       | -       | -       | -       | -       | 1,800   |
| <i>Apple Market Share</i>           | 0.0%    | 0.0%    | 0.0%    | 0.0%    | 0.0%    | 0.0%    | 0.0%    | 36.0%   |
| Samsung Units Sold                  | 300     | 400     | 900     | 800     | 700     | 1,700   | 1,600   | 1,600   |
| <i>Samsung Market Share</i>         | 21.2%   | 22.3%   | 38.7%   | 27.7%   | 25.4%   | 42.0%   | 41.0%   | 32.0%   |
| Others Units Sold                   | 1,112   | 1,391   | 1,425   | 2,085   | 2,055   | 2,343   | 2,300   | 1,600   |
| <i>Others Market Share</i>          | 78.8%   | 77.7%   | 61.3%   | 72.3%   | 74.6%   | 58.0%   | 59.0%   | 32.0%   |
| Sprint Total Units Sold             | 1,412   | 1,791   | 2,325   | 2,885   | 2,755   | 4,043   | 3,900   | 5,000   |
| <i>Sprint Total</i>                 | 100%    | 100%    | 100%    | 100%    | 100%    | 100%    | 100%    | 100%    |

|  |    |       |       |        |        |        |       |       |
|--|----|-------|-------|--------|--------|--------|-------|-------|
| <b>Samsung Accused Smartphone Unit Sales To Be Deducted 2/</b> |    |       |       |        |        |        |       |       |
| Total Units  | -  | 84    | 882   | 833    | 717    | 2,288  | 1,008 | 1,047 |
| <i>% of Strategy Analytic Estimates</i>                        | 0% | 21.0% | 98.0% | 104.1% | 102.5% | 134.6% | 63.0% | 65.5% |
| <i>% of Total Market</i>                                       | 0% | 4.7%  | 37.9% | 27.7%  | 25.4%  | 42.0%  | 25.8% | 20.9% |

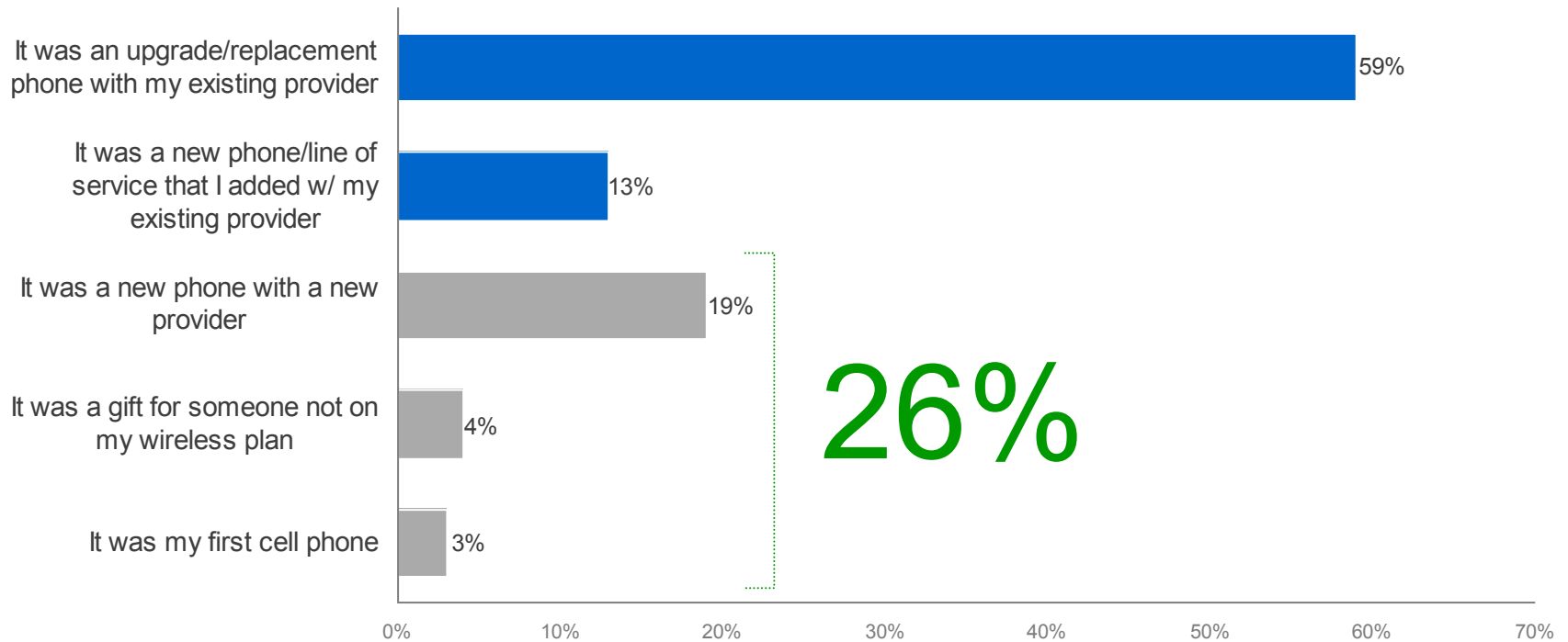
|  |       |       |       |        |        |        |       |       |
|--|-------|-------|-------|--------|--------|--------|-------|-------|
| <b>Manufacturer Market Share After Mor-Flo Adjustment 3/</b> |       |       |       |        |        |        |       |       |
| Apple Units Sold   | -     | -     | -     | -      | -      | -      | -     | 1,800 |
| <i>Apple Market Share</i>                                    | 0.0%  | 0.0%  | 0.0%  | 0.0%   | 0.0%   | 0.0%   | 0.0%  | 45.5% |
| Samsung Units Sold   | 300   | 316   | 18    | -      | -      | -      | 592   | 553   |
| <i>Samsung Market Share</i>                                  | 21.2% | 18.5% | 1.2%  | 0.0%   | 0.0%   | 0.0%   | 20.5% | 14.0% |
| Others Units Sold  | 1,112 | 1,391 | 1,425 | 2,085  | 2,055  | 2,343  | 2,300 | 1,600 |
| <i>Others Market Share</i>                                   | 78.8% | 81.5% | 98.8% | 100.0% | 100.0% | 100.0% | 79.5% | 40.5% |
| Sprint Total Units Sold                                      | 1,412 | 1,707 | 1,443 | 2,085  | 2,055  | 2,343  | 2,892 | 3,953 |
| <i>Sprint Total</i>  | 100%  | 100%  | 100%  | 100%   | 100%   | 100%   | 100%  | 100%  |

**Sources/Notes:**

- 1/ Strategy Analytics, "USA Smartphone Vendor & OS Shipments by Operator: Q4 2010" and "USA Smartphone Vendor & OS Shipments by Operator: Q4 2011."
- 2/ Sales limited to smartphones sold at Sprint, which include Epic 4G, Galaxy Prevail, Galaxy S II (Epic 4G Touch), Intercept, Nexus S 4G, Replenish, and Transform (see p. 8).
- 3/ Manufacturer Market Share percentage after Mor-Flo is calculated by subtracting accused Samsung Sprint smartphone units from Sprint sales estimated by Strategy Analytics. For the fourth quarter of 2010 and the first and second quarter of 2011, Samsung sold more Sprint smartphone units than Strategy Analytics estimates, thus Samsung Units Sold after accused unit deductions was changed to 0 (from a negative units calculation) to reflect this event.

# 26% of Phone Purchasers Chose a New Carrier

Most Recently Purchased Cell Phone



Q. Which of the following statements best describes your most recently purchased cell phone? (Total Respondents=2961)  
Source: Google/Compete Wireless Shopper 2.0 Study, January 2010.

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**iPhone Capacity Analysis**  
(Units in Thousands)

|   | BOH | FYQ2'10      | FYQ3'10      | FYQ4'10       | FYQ1'11       | FYQ2'11       | FYQ3'11       | FYQ4'11       | FYQ1'12       |
|---|-----|--------------|--------------|---------------|---------------|---------------|---------------|---------------|---------------|
| <b>Beginning Inventory</b>                                    | 1/  |              |              |               |               |               |               |               |               |
| iPhone 3G   |     | 513          | 88           | 11            | -             | -             | -             | -             | -             |
| iPhone 3GS  |     | 2,213        | 1,921        | 1,081         | 1,030         | 1,548         | 3,138         | 5,243         | 7,029         |
| iPhone 4  |     |              |              | 155           | 455           | 641           | 9,816         | 19,311        | 24,940        |
| iPhone 4S   |     |              |              |               |               |               |               |               |               |
| <b>Total</b>  |     | <b>2,726</b> | <b>2,008</b> | <b>1,246</b>  | <b>1,484</b>  | <b>2,189</b>  | <b>12,954</b> | <b>24,553</b> | <b>31,969</b> |
| <b>Maximum Manufacturing Capacity</b>                         | 2/  |              |              |               |               |               |               |               |               |
| iPhone 3G   |     | 1,237        | 421          | (10)          | -             | -             | -             | -             | -             |
| iPhone 3GS  |     | 6,797        | 5,346        | 1,927         | 3,082         | 3,766         | 3,993         | 3,628         | 3,438         |
| iPhone 4  |     |              | 1,870        | 12,423        | 13,858        | 25,647        | 27,942        | 20,860        | 10,341        |
| iPhone 4S   |     |              |              |               |               |               |               |               | 26,956        |
| <b>Total</b>  |     | <b>8,034</b> | <b>7,637</b> | <b>14,340</b> | <b>16,940</b> | <b>29,413</b> | <b>31,935</b> | <b>24,488</b> | <b>40,735</b> |
| <b>Units Sold</b>   | 2/  |              |              |               |               |               |               |               |               |
| iPhone 3G   |     | 1,663        | 498          | -             | -             | -             | -             | (1)           | -             |
| iPhone 3GS  |     | 7,089        | 6,185        | 1,979         | 2,564         | 2,176         | 1,888         | 1,843         | 1,654         |
| iPhone 4  |     |              | 1,715        | 12,124        | 13,670        | 16,472        | 18,449        | 15,230        | 9,398         |
| iPhone 4S   |     |              |              |               |               |               |               |               | 25,997        |
| <b>Total</b>  |     | <b>8,752</b> | <b>8,398</b> | <b>14,103</b> | <b>16,234</b> | <b>18,648</b> | <b>20,337</b> | <b>17,072</b> | <b>37,049</b> |
| <b>Ending Potential Inventory</b>                             | 3/  |              |              |               |               |               |               |               |               |
| iPhone 3G   |     | 513          | 88           | 11            | -             | -             | -             | -             | -             |
| iPhone 3GS  |     | 2,213        | 1,921        | 1,081         | 1,030         | 1,548         | 3,138         | 5,243         | 7,029         |
| iPhone 4  |     |              |              | 155           | 455           | 641           | 9,816         | 19,311        | 24,940        |
| iPhone 4S   |     |              |              |               |               |               |               |               | 959           |
| <b>Total</b>  |     | <b>2,726</b> | <b>2,008</b> | <b>1,246</b>  | <b>1,484</b>  | <b>2,189</b>  | <b>12,954</b> | <b>24,553</b> | <b>31,969</b> |
| <b>Adjustments for Capacity Available for Lost Profits 4/</b> |     |              |              |               |               |               |               |               |               |
| <b>Quarterly Additional Capacity Created (Used)</b>           | 5/  |              |              |               |               |               |               |               |               |
| iPhone 3GS  |     | 2,213        | (292)        | (840)         | (51)          | 518           | 1,590         | 2,105         | 1,786         |
| iPhone 4  |     |              |              | 155           | 300           | 186           | 9,175         | 9,495         | 5,629         |
| iPhone 4S   |     |              |              |               |               |               |               |               | 959           |
| <b>Total</b>  |     | <b>2,213</b> | <b>(292)</b> | <b>(685)</b>  | <b>249</b>    | <b>704</b>    | <b>10,765</b> | <b>11,600</b> | <b>7,415</b>  |
| <b>Excess Inventory (2 Weeks)</b>                             | 6/  |              |              |               |               |               |               |               |               |
| iPhone 3GS  |     |              | 1,046        | 822           | 296           | 474           | 579           | 614           | 558           |
| iPhone 4  |     |              |              | 288           | 1,911         | 2,132         | 3,946         | 4,299         | 3,209         |
| iPhone 4S   |     |              |              |               |               |               |               |               | 4,147         |
| <b>Total</b>  |     | <b>-</b>     | <b>1,046</b> | <b>1,110</b>  | <b>2,208</b>  | <b>2,606</b>  | <b>4,525</b>  | <b>4,913</b>  | <b>3,767</b>  |
| <b>Excess Unused Capacity</b>                                 | 7/  |              |              |               |               |               |               |               |               |
| iPhone 3GS  |     | 1,030        | -            | -             | -             | 44            | 1,011         | 1,491         | 1,228         |
| iPhone 4  |     |              |              |               |               |               | 5,229         | 5,196         | 2,420         |
| iPhone 4S   |     |              |              |               |               |               |               |               | -             |
| <b>Total</b>  |     | <b>1,030</b> | <b>-</b>     | <b>-</b>      | <b>-</b>      | <b>44</b>     | <b>6,240</b>  | <b>6,687</b>  | <b>3,648</b>  |

**Sources/Notes:**

1/ Equal to the prior quarter's Ending Potential Inventory.

2/ Based on Apple's worksheet entitled: iPhone Supply and Sales: 2010 - 2011 : K Units (APLNDC-Y0000055417), sections titled Installed Capacity Saleable Units - Cumulative and Units Sold In - Cumulative. Non-cumulative numbers were calculated by subtracting prior quarter's data from the current quarter.

3/ Based on Apple's worksheet entitled: iPhone Supply and Sales: 2010 - 2011 : K Units (APLNDC-Y0000055417), section titled Installed Capacity Units Unsold - Cumulative.

4/ iPhone 3G was eliminated from this calculation because manufacturing was stopped in FYQ3'10 and all inventory was sold.

5/ Calculated by subtracting the prior quarter's Ending Potential Inventory from the current quarter.

6/ Calculated as two weeks of the quarterly Maximum Manufacturing Capacity assuming equal manufacturing capacity throughout the quarter and assuming 13 weeks in a quarter. According to Apple's VP of Supply and Demand Management, Rory Sexton, Apple aims to maintain up to 2 weeks of inventory.

7/ Equal to Quarterly Additional Capacity Created (Used) less Excess Inventory. Where capacity is used in future periods, that capacity was deducted from the preceding quarter which had excess capacity. This maintains the excess capacity which was actually sold by Apple in future periods.

Submitted Under Seal; Highly Confidential;  
Outside Counsel Eyes' Only

Prepared by InvoTex Group

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**iPad Capacity Analysis***(Units in Thousands)*

|  |    | FYQ3'10      | FYQ4'10      | FYQ1'11      | FYQ2'11      | FYQ3'11       | FYQ4'11       | FYQ1'12       |
|--|----|--------------|--------------|--------------|--------------|---------------|---------------|---------------|
| <b>Beginning Inventory</b>                                 | 1/ |              |              |              |              |               |               |               |
| iPad   |    | -            | 210          | 1,722        | 3,081        | 5,164         | 4,857         | 4,856         |
| iPad 2   |    |              |              |              | -            | 179           | 1,391         | 5,299         |
| <b>Total</b>   |    | -            | <b>210</b>   | <b>1,722</b> | <b>3,081</b> | <b>5,343</b>  | <b>6,248</b>  | <b>10,155</b> |
| <b>Maximum Manufacturing Capacity</b>                      | 2/ |              |              |              |              |               |               |               |
| iPad   |    | 3,480        | 5,699        | 8,662        | 5,543        | -             | -             | -             |
| iPad 2   |    |              |              |              | 1,370        | 10,089        | 14,999        | 15,143        |
| <b>Total</b>   |    | <b>3,480</b> | <b>5,699</b> | <b>8,662</b> | <b>6,913</b> | <b>10,089</b> | <b>14,999</b> | <b>15,143</b> |
| <b>Units Sold</b>  | 2/ |              |              |              |              |               |               |               |
| iPad   |    | 3,270        | 4,187        | 7,303        | 3,460        | 307           | 1             | -             |
| iPad 2   |    |              |              |              | 1,191        | 8,877         | 11,091        | 15,289        |
| <b>Total</b>   |    | <b>3,270</b> | <b>4,187</b> | <b>7,303</b> | <b>4,651</b> | <b>9,184</b>  | <b>11,092</b> | <b>15,289</b> |
| <b>Ending Potential Inventory</b>                          | 3/ |              |              |              |              |               |               |               |
| iPad   |    | 210          | 1,721        | 3,081        | 5,164        | 4,857         | 4,842         | 4,842         |
| iPad 2   |    |              |              |              | 179          | 1,391         | 5,299         | 5,153         |
| <b>Total</b>   |    | <b>210</b>   | <b>1,721</b> | <b>3,081</b> | <b>5,343</b> | <b>6,248</b>  | <b>10,141</b> | <b>9,995</b>  |
| <b>Adjustments for Capacity Available for Lost Profits</b> |    |              |              |              |              |               |               |               |
| <b>Quarterly Additional Capacity Created (Used)</b>        | 4/ |              |              |              |              |               |               |               |
| iPad   |    | 210          | 1,511        | 1,360        | 2,083        | (307)         | (15)          | -             |
| iPad 2   |    |              |              |              | 179          | 1,212         | 3,908         | (146)         |
| <b>Total</b>   |    | <b>210</b>   | <b>1,511</b> | <b>1,360</b> | <b>2,262</b> | <b>905</b>    | <b>3,893</b>  | <b>(146)</b>  |
| <b>Excess Inventory (2 Weeks)</b>                          | 5/ |              |              |              |              |               |               |               |
| iPad   |    | 535          | 877          | 1,333        | 853          | -             | -             | -             |
| iPad 2   |    |              |              |              | 211          | 1,552         | 2,308         | 2,330         |
| <b>Total</b>   |    | <b>535</b>   | <b>877</b>   | <b>1,333</b> | <b>1,064</b> | <b>1,552</b>  | <b>2,308</b>  | <b>2,330</b>  |
| <b>Excess Unused Capacity</b>                              | 6/ |              |              |              |              |               |               |               |
| iPad   |    | -            | 634          | 27           | 908          | -             | -             | -             |
| iPad 2   |    |              |              |              | -            | -             | 1,454         | -             |
| <b>Total</b>   |    | -            | <b>634</b>   | <b>27</b>    | <b>908</b>   | -             | <b>1,454</b>  | -             |

**Sources/Notes:**

1/ Equal to the prior quarter's Ending Potential Inventory.

2/ Based on Apple's worksheet entitled: iPad Supply and Sales: 2010 - 2011 : K Units (APLNDC-Y0000055416), sections titled Installed Capacity Saleable Units - Cumulative and Units Sold In - Cumulative. Non-cumulative numbers were calculated by subtracting prior quarter's data from the current quarter.

3/ Based on Apple's worksheet entitled: iPad Supply and Sales: 2010 - 2011 : K Units (APLNDC-Y0000055416), section titled Installed Capacity Units Unsold - Cumulative.

4/ Calculated by subtracting the prior quarter's Ending Potential Inventory from the current quarter.

5/ Calculated as two weeks of the quarterly Maximum Manufacturing Capacity assuming equal manufacturing capacity throughout the quarter and assuming 13 weeks in a quarter. According to Apple's VP of Supply and Demand Management, Rory Sexton, Apple aims to maintain up to 2 weeks of inventory.

6/ Equal to Quarterly Additional Capacity Created (Used) less Excess Inventory. Where capacity is used in future periods, that capacity was deducted from the preceding quarter which had excess capacity. This maintains the excess capacity which was actually sold by Apple in future periods.



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**Reasonable Royalty Rates**

| Patent/Registration #   |                               | Reference Range |                             |                        | Final Per Unit Royalty Rate 4/ |
|---|-------------------------------|-----------------|-----------------------------|------------------------|--------------------------------|
|   |                               | Market 1/       | Income 2/                   | Cost 3/                |                                |
| 7,469,381   | Smartphones                   | No Market Rate  | \$0.52-\$4.03               | \$ 0.85                | \$ 2.02                        |
|   | Tablets                       | No Market Rate  | \$0.52-\$4.03               | \$ 0.98                |                                |
| 7,844,915   | Smartphones                   | No Market Rate  | \$0.80-\$6.20               | \$ 1.30                | \$ 3.10                        |
|   | Tablets                       | No Market Rate  | \$0.80-\$6.20               | \$ 1.50                |                                |
| 7,864,163   | Smartphones                   | No Market Rate  | \$0.52-\$4.03               | \$ 0.85                | \$ 2.02                        |
|   | Tablets                       | No Market Rate  | \$0.52-\$4.03               | \$ 0.98                |                                |
| D604,305<br>D618,677<br>D504,889<br>D593,087                                  | Smartphones<br>and<br>Tablets | No Market Rate. | \$9.00-\$24.00<br>per Unit. | Smartphones<br>\$19.50 | \$ 24.00                       |
| iPhone 3G<br>iPhone / iPhone 3G /<br>iPhone 4<br>iPad and iPad 2<br>3,470,983 |                               |                 |                             | Tablets<br>\$22.50     |                                |

**Sources/Notes:**

1/ The market approach to the valuation of intellectual property is based on the consideration of other market comparable transactions. I have reviewed and analyzed both Apple and Samsung's licensing activity and searched the public domain for market comparable rates specific to or comparable to the Apple Intellectual Property in Suit.

2/ The income approach to the value of the patents at issue is based on the future profitability of the products embodying the patented technology. The actual profits are known and available and represent a conservative measure of anticipated profits at the time of the hypothetical negotiation.

3/ The cost basis approach is generally based on the cost to an entity to develop or replace the specific technology in question. The basis of my cost reference point for Samsung is the total cost of replacing or removing the accused element from Samsung's accused smartphones and tablets when and if deemed possible.

4/ Final reasonable royalty rate determined after consideration of the fifteen Georgia-Pacific factors and their relative weight.