

## Apple revenues go down

What does Apple's first drop in profits since 2003 mean for the technology giant?

By Elliott Banks, News Editor (2016/17)  
Thursday 5 May 2016

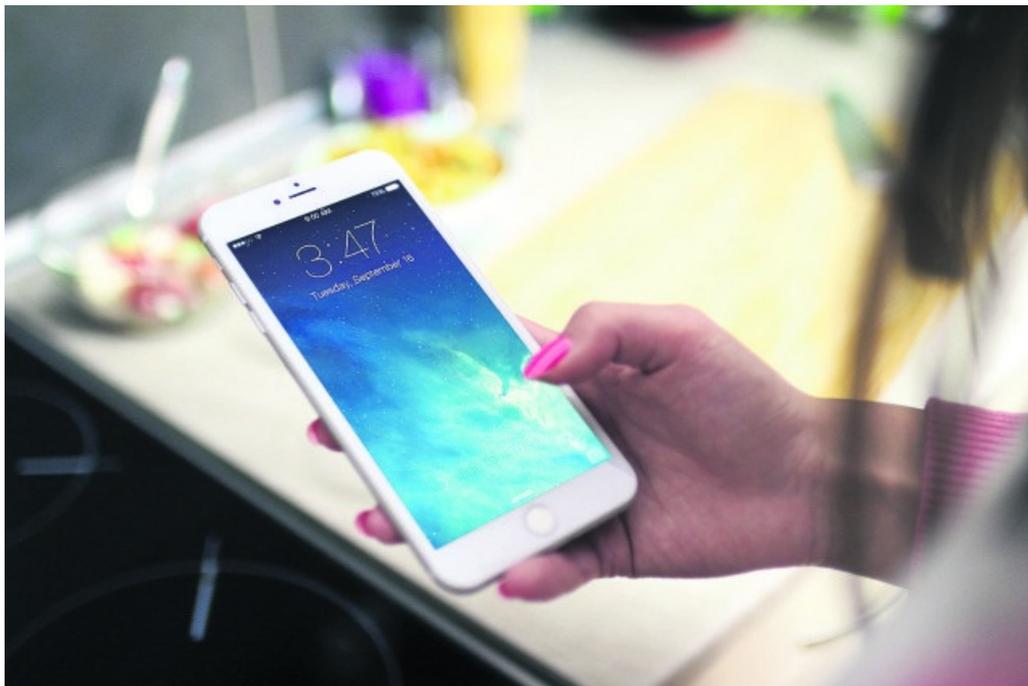


Image. Jan Vašek

The last time that Apple witnessed a fall in revenue Tony Blair was gearing up for the Iraq War, Beyonce got her first number one and we at Nouse were still in primary school. Last week, Apple announced that for the first time since 2003 the California-based technology giant's revenues were down to \$50.56 billion from \$58 billion the previous year. This represents a 13 per cent fall in revenue, which is worrying for a company which has dominated the sleek, minimalist tech market for the past decade.

Profits also fell by \$3 billion, down from \$13.5bn to \$10.5bn. The company have announced that \$50bn is to be returned to shareholders through dividends and a share buyback scheme, indicating that Apple's board believes this is a blip in the road. Nevertheless, Apple's share prices declined 8 per cent in after hours trading and overall the company has lost nearly 20 per cent of its share value over the last 12 months.

Apple's most successful product, the iPhone, is officially in decline. In the past three months iPhone sales have declined a quarter, with consumers deciding to switch to other smartphone manufacturers such as Samsung. Indeed Samsung currently has increased its presence on the smartphone market to 21.4 per cent, with Apple trailing at 13.9 per cent. Although both companies have seen a decline, Apple has experienced a declining market share for longer.

Despite this fall in revenue Apple is one of the world's most profitable businesses and is likely to overcome this issue. Despite the company experiencing increasing competition from Android, which

makes up 88 per cent of the smartphone market, its products are still popular with a large proportion of the world. In the long term, tech analysts have said that Apple needs to innovate more, given the competition that they face. Although this is likely to be a temporary blip, Apple will need to up its game after years of assured revenues and bumper profits.



Most Read Discussed

1. [The York floods 2015: What's the damage?](#)
2. [What does Theresa May's new Brexit plan mean?](#)
3. [A workplace revolution: a four-day week?](#)
4. [An update on the US-China trade war](#)
5. [The University as your landlord: friend or foe?](#)
6. [Managing your finances at university](#)

### Write for Nouse Business

[Get in touch with the editors](#)

[Join the Facebook group](#)

### More in Business

- [What does Theresa May's new Brexit plan mean?](#)
- [The University as your landlord: friend or foe?](#)
- [An update on the US-China trade war](#)
- [A workplace revolution: a four-day week?](#)
- [Managing your finances at university](#)
- [Tesco launches new discount store chain Jack's](#)

[About Nouse](#)  
[Who's Nouse](#)  
[Website Credits](#)  
[Contact Us](#)  
[Advertising](#)  
[Archives](#)  
[Student Discounts](#)  
[Print Editions](#)  
[Mini-Sites](#)  
[Nouse on Twitter](#)

[Nouse on Facebook](#)  
[Nouse on Google+](#)

© 1964–2018 Nouse

[Policies](#) |

