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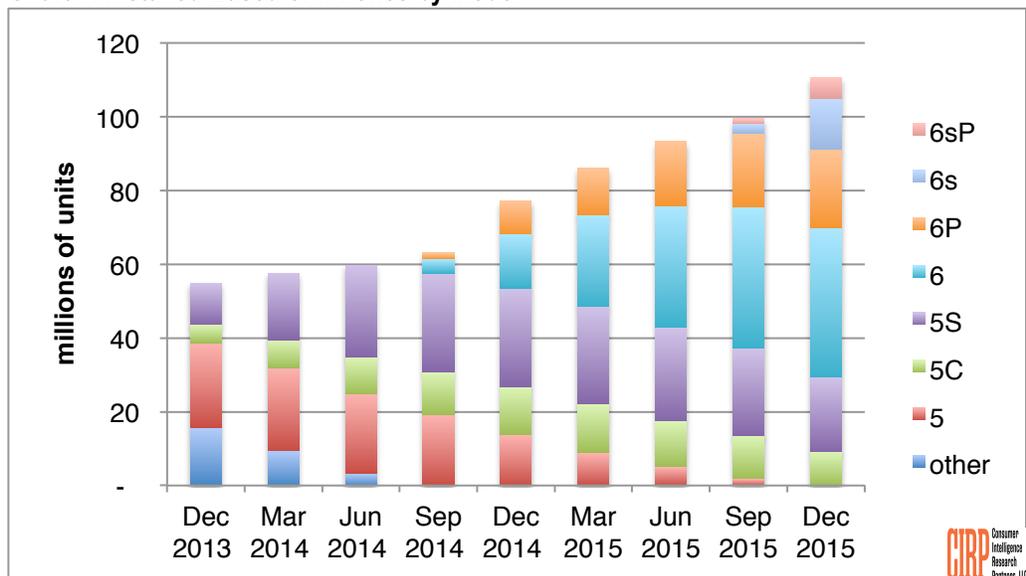
## iPhone SE Has Limited Market in US

**Most US iPhone Owners Have iPhone 6 or Higher; Android Switchers and First-Time Buyers Limited**

CHICAGO, IL – Tuesday, March 22, 2016 - Consumer Intelligence Research Partners, LLC (CIRP), today released research on the installed based of iPhones in the US.

CIRP finds that as of the end of the December 2015 quarter, 110 million iPhones were in use in the US, including 62 million iPhone 6 and 6 Plus and 19 million iPhone 6s and 6s Plus models (Chart 1). The remaining 29 million iPhones comprise other models, including iPhone 5S, 5C, 5, and older. Based on analysis of the installed base, CIRP estimates Apple will sell 4-6 million units of the new iPhone SE.

**Chart 1: Installed Based of iPhones by Model**



“The analysis indicates the limited opportunity for Apple to sell the smaller iPhone SE in the US,” said Mike Levin, Partner and Co-Founder of CIRP. “Very few of the 81 million

consumers that already own a larger iPhone 6 or 6 Plus, or 6s or 6s Plus, are likely to trade down to the smaller iPhone SE.”

“A significant number of the 29 million consumers that currently own an older iPhone will also want to trade up to the larger phones,” said Josh Lowitz, Partner and Co-Founder of CIRP. “Our data suggests in the past year, 85-90% of consumers that replaced an older 4-inch screen iPhone upgraded to the new, larger iPhone models - the 6, 6 Plus, 6s, or 6s Plus. So, we expect perhaps 3-4 million, or 10-15% of the 29 million US 4-inch iPhone base, to purchase the new iPhone SE.”

In the past year, Android customers account for 17% of all US iPhone customers, while first-time phone buyers account for 1% of all iPhone customers. Of those, 77% of the Android switchers purchased an iPhone 6 or higher, and 67% of first-time phone buyers purchased an iPhone 6 or higher.

“We also think that relatively few Android switchers and first-time phone buyers will opt to purchase the iPhone SE,” added Levin. “We expect that at most one-quarter of the US Android switchers will buy the iPhone SE, accounting for 1-2 million units in a year. And, first-time phone buyers remain a tiny percentage of total iPhone buyers. Of these customers perhaps one-third will buy the smaller, less-costly iPhone SE model, accounting for considerably less than 1 million units in a year.”

CIRP bases its findings on its quarterly surveys of US Apple customers. Each quarter, CIRP samples 500 customers that purchased an Apple product (iPhone, iPad, or Mac computer) in the preceding quarter. For additional information, please contact Mike Levin ([mike@cirpllc.com](mailto:mike@cirpllc.com)) or Josh Lowitz ([josh@cirpllc.com](mailto:josh@cirpllc.com)) at 312.344.3664. Further information on CIRP, which provides securities research to the investment community using advanced consumer market research strategies, methods, and techniques, is at [www.cirpllc.com](http://www.cirpllc.com).

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