

Investors lap up Apple's 47 percent profit jump

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The Apple logo is seen on an Apple store in San Francisco Monday, Oct. 19, 2009. Apple Inc. is expected to release fourth-quarter earnings after the closing bell. (AP Photo/Russel A. Daniels)

(AP) -- Wall Street knew Apple Inc.'s results for the most recent quarter would blow past the company's guidance, but investors clearly weren't prepared for the 47 percent jump in profit that Apple delivered.

Shares skyrocketed to an all-time high in after-hours trading Monday evening on news that Cupertino, Calif.-based Apple sold more [iPhone](#) and Mac computers than ever.

Apple's financial report "reinforces my view that Apple is hands down the best technology company on the planet," said Broadpoint AmTech

analyst Brian Marshall in an interview.

Apple unveiled a faster iPhone in June and cut the price of the previous generation of the phone to \$99. Those moves boosted iPhone sales from July through September to 7.4 million devices, half a million more than in the same period of 2008, despite shortages of the newest iPhones that persisted through the quarter.

Apple weathered the [economic meltdown](#) better than other computer companies, giving it a running start when PC sales grew in the quarter. Apple had also updated its Mac operating system and refreshed its MacBook Pro line. Apple sold 3.1 million Macs, a 19 percent rise from the same period a year ago.

As Apple's iPhone, which has iPod features built in, has grown in popularity, Apple's regular iPod music player business has suffered. The company sold 10.2 million iPods in the quarter, 8 percent fewer than last year, even though Apple unveiled a new iPod Nano with a video camera in September.

But even with the number of iPods dropping, iPod revenue rose in the quarter. That means people are trading up, Marshall said - buying a Nano to replace a Shuffle, or an iPod Touch to replace a Nano. Revenue for the iPod Touch, which is like an iPhone without the phone, doubled from a year ago, Apple Chief Financial Officer Peter Oppenheimer said.

Apple is rumored to be working on a tablet-style computer that's a cross between a laptop and an iPhone or iPod Touch, but the company is notoriously secretive about new products. On a conference call, Apple executives boasted vaguely about the company's "amazing" future offerings and dropped one tantalizing indication something new might be coming in time for holiday shopping.

Apple typically spends more on air freight in the current quarter in order to make sure stores are stocked with iPods and other gadgets for the holidays, but this year, the increase is more than usual.

"I'm sorry I can't be specific on the product, but it's, it's, it's an abnormal sequential increase," Apple's chief operating officer, Tim Cook, said in response to a question from an analyst.

Apple said it earned \$1.7 billion, or \$1.82 per share, in its fiscal fourth quarter, which ended Sept. 26. Revenue jumped 25 percent to \$9.9 billion.

For all of fiscal 2009, Apple said its profit rose 18 percent to \$5.7 billion, or \$5.36 per share. Revenue climbed 13 percent to \$36.5 billion.

For the current quarter, Apple said it expects to earn \$1.70 to \$1.78 per share, well below the \$1.91 that analysts are expecting, though the company traditionally gives extremely conservative guidance. Apple predicted revenue of \$11.3 billion to \$11.6 billion, while analysts are looking for \$11.4 billion, according to a Thomson Reuters poll.

Wall Street shrugged off the profit guidance and sent the company's shares up \$12.54, or 6.6 percent, to \$202.40 in extended trading. At one point in the after-hours trading the stock climbed past \$203. Adjusted for splits, Apple's highest price had been \$202.96, reached Dec. 27, 2007.

Investors also are anticipating even more growth for the iPhone. Apple is set to officially begin selling iPhones in China on Oct. 30 and has plans to launch in South Korea during this quarter as well.

But [Apple](#) could hit snags in those countries in the first few months. The company struggled to supply enough of the newest iPhone 3GS to store

shelves around the world over the summer. Cook said most of the shortages had eased, but he added that he wishes more iPhones were ready for the China launch.

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