

Apple's Tim Cook cites record sales and "unbelievable" year

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Apple CEO Tim Cook shows off the new iPhone 6 and the Apple Watch at the Flint Center for the Performing Arts in Cupertino, California, on September 9, 2014

Apple CEO Tim Cook took a figurative victory lap at his company's annual shareholder meeting, one day after he announced details about the new smartwatch Apple plans to start selling next month.

A year ago, some [investors](#) were voicing frustration over Apple's lagging stock and activist Carl Icahn was pressing Cook to return more cash to shareholders. But no [complaints](#) were heard Tuesday. Apple shares are up 65 percent from a year ago, the company has a [market value](#) of more than \$700 billion—making it the most valuable U.S. company in history—and will soon bump AT&T to join the benchmark Dow Jones industrial average.

Apple sold a record 200 million iPhones in 2014, which provided the bulk of the company's \$200 billion in revenue. Cook cited those and other milestones in what he called an "unbelievable" year. He also said Apple returned \$57 billion to shareholders through dividends and stock buybacks last year.

The stock fell 1.7 percent Tuesday, amid a broader market decline, as some analysts questioned whether the company's new smartwatch will be a hit. Cook has vowed the new wearable gadget will change the way people use the Internet, as previous Apple products including the iPhone and iPad have done.

The company said it had work to do on diversity efforts.

Two speakers, civil rights leader Jesse Jackson and a black Apple [shareholder](#) who did not say his name when he spoke, urged Cook to improve diversity in Apple's leadership and board. Apple has no black or Latino directors, and 12 of the 15 top executives listed on its website are white men.

Jackson has pressed Silicon Valley companies to improve diversity. He praised Cook for releasing workforce demographics statistics, as several other top tech companies have done, but urged Apple to follow Intel's lead in setting more specific goals.

Cook promised more progress. Later in the meeting, he introduced two Apple vice presidents who are black women: Lisa Jackson, the former U.S. EPA administrator who now runs Apple's environmental programs, and Denise Young Smith, the company's top human resources official.

"Our diversity is increasing," Cook said. "I want it to be better. It will be better."

As for future projects, Cook acknowledged that iPad sales are down but said he's "extremely bullish" on Apple's partnership with IBM to create new iPad business software and "other things in the pipeline." An iPad with a larger screen is rumored to be in development.

Cook ducked questions from two investors who urged him to buy or partner with Tesla, the high-end electric car maker. Apple has hired several automotive engineers but has not confirmed reports it may be working on its own electric car. "We're very focused on Car Play," Cook said, referring to Apple software used by several automakers. He said Apple has no current deal with Tesla, although he grinned and said "we'd love for them" to use the software too.

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