

Apple beats earnings estimates, issues healthy forecast

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The new Apple iPhone 6s Plus is displayed as it goes on sale in Sydney on September 25, 2015. Apple launched the new iPhone 6s and iPhone 6s Plus on September 25 featuring 3D touch screen technology. AFP PHOTO / William WEST

Defying skeptics on Wall Street, Apple says it plans to keep setting records for selling new iPhones around the world.

The giant tech company reported quarterly earnings Tuesday that beat analysts' estimates, while forecasting healthy iPhone sales during the upcoming holidays. Apple also said sales nearly doubled in China, Hong Kong and Taiwan during the last quarter, despite concerns that China's economy is slowing.

And in a closely watched indicator, Apple issued a forecast for the upcoming December quarter that suggests it will slightly surpass last year's record of 74.5 million iPhones sold during the crucial holiday season.

"We think we can grow iPhone (sales) during the December quarter," Chief Financial Officer Luca Maestri told The Associated Press.

Apple reported \$11.1 billion in net income for the quarter ended Sept. 26, up 30 percent from a year earlier, while sales rose 22 percent to \$51.5 billion. Earnings amounted to \$1.96 cents a share.

Analysts surveyed by FactSet expected Apple to report revenue of \$50.9 billion and adjusted earnings of \$1.89 a share. Apple's stock price was up almost 2 percent in after-hours trading.

Apple said it sold 48 million iPhones during the September quarter, which included two days of sales for its newest iPhone models, the 6S and 6S Plus. That's about what analysts expected.

But its forecast for the December quarter may please investors more. Apple's stock has been dogged for months by worries that the company might have difficulty maintaining its torrid growth. Apple relies heavily on iPhone sales, which contribute more than two-thirds of its revenue. Overall smartphone sales are slowing around the world, as most consumers in developed nations already have one.

While it remains the world's biggest corporation by stock-market value, Apple shares have been off about 15 percent from a mid-July peak of \$132.97.

iPhone sales skyrocketed last year after Apple introduced new models with bigger screens in September 2014. Analysts have questioned whether the company can duplicate that success with the latest iPhones introduced last month.

Last year's iPhone 6 and 6 Plus tapped into strong demand from consumers who had envied the larger screens offered by Apple's competitors. This year's iPhone 6S and 6S Plus have additional features, but they're not as dramatically different from last year's models.

"The iPhone 6 was such a blockbuster launch," said analyst Angelo Zino of S&P Capital IQ. As a

result, he said, investors have been "cautious about whether that momentum can continue."

Apple shares rose nearly 3 percent after the earnings report was released.

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