

+-----+
-----+
Apple's Jobs Introduces Touch-Screen Tablet Computer Named iPad
2010-01-27 18:16:07.863 GMT

By Connie Guglielmo

Jan. 27 (Bloomberg) -- Apple Inc., trying to expand beyond the Macintosh, iPod and iPhone, introduced a tablet computer with a touch screen, Web browser and e-mail functions.

The iPad can display full Web pages and has a touch-screen keyboard that's almost full size, Chief Executive Officer Steve Jobs said today at a company event in San Francisco. He demonstrated the device by showing the Web site of the New York Times and visiting movie-ticket site Fandango.

The iPad is "so much more intimate than a laptop, so much more capable than a smartphone," Jobs said.

Jobs, 54, has spent the past decade transforming the maker of the Mac personal computer into a consumer-electronics juggernaut. The iPad builds on the digital media and mobile technology behind Apple's market-leading iPod players and the iPhone, and will challenge dedicated e-book readers from Amazon.com Inc. and Sony Corp.

Apple, based in Cupertino, California, fell \$4.18 to \$201.76 at 1:22 p.m. New York time in Nasdaq Stock Market trading. The shares, which more than doubled last year, rose to a record \$215.04 earlier this month on anticipation of the new gadget.

The device can display maps from Google Inc. and has calendar and address book functions. It lets users display thumbnail views of photos.

Apple could sell as many as 4 million tablets this year, Katy Huberty, an analyst with Morgan Stanley, told investors earlier this week. Toni Sacconaghi, at Sanford C. Bernstein & Co., predicted sales of 3 million devices in the first year, based on a selling price of \$750.

Other analysts are aiming higher.

Holiday Sales

"The first year for iPhone and iPod achieved 6 million units in sales -- we think the tablet will achieve the same level of sales the first year of launch," Ashok Kumar, managing director at Northeast Securities Inc., said in a Bloomberg television interview.

Apple, which reported a 32 percent jump in holiday sales this week, said the Mac accounted for 28 percent of revenue. The iPhone brought in about a third of sales, while the iPod represented 22 percent of revenue. Apple has sold 250 million iPods, Jobs said today.

Demand for Apple's traditional iPod music players is falling as consumers switch to multifunction devices like the iPod Touch, which has Wi-Fi support, and smartphones that can also play music and video, like the iPhone. iPod shipments fell 8 percent last quarter to 21 million units. Sales of the iPod Touch rose 55 percent.

With the tablet, Apple gets a new category built around its iTunes software and store. That gives the company a fresh way to attract

consumers, video-game makers and other application developers, as well as publishers looking to capitalize on their content.

Apple executives in the audience included Chief Operating Officer Tim Cook and marketing vice president Phil Schiller. Former U.S. Vice President Al Gore, an Apple board member, was also at the event.

For Related News and Information:

Apple earnings: AAPL US <EQUITY> CH1 <GO> Apple earnings stories: AAPL US <EQUITY> TCNI ERN <GO> Apple revenue segments: AAPL US <EQUITY> PGEO <GO> For top technology stories: TTOP <GO>

--Editors: Ville Heiskanen, Nick Turner

To contact the reporter on this story:

Connie Guglielmo in San Francisco at +1-415-617-7134 or cguglielmol@bloomberg.net

To contact the editor responsible for this story:

Jonathan Thaw at +1-415-617-7168 or jthaw@bloomberg.net