

## Research firm puts \$499 iPad costs at \$259.60

April 7 2010, By ANDREW VANACORE , AP Business Writer

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(AP) -- The iPad may promise a computing revolution, but Apple's new gadget is also a pile of glass, metal and electronic innards - \$259.60 worth, or about half the retail price, according to an independent estimate released Wednesday.

After taking the iPad apart and adding up the estimated costs of the components, the [market](#) research firm [iSuppli](#) said the low-end version of Apple's new gadget costs about \$250.60 in parts. Manufacturing costs \$9 more. Combined, that's 52 percent of the \$499 price for that model.

That doesn't mean Apple's making a nearly 50 percent profit. There are development costs, marketing and other factors to take into account. [Apple](#) didn't immediately return a request for comment.

iSuppli's analysis does offer some sense of what you're paying for.

A lot of the cost, it turns out, is that sleek, user-friendly [touch screen](#). Each iPad contains an estimated \$109.50 worth of components that provide the user interface, or about 44 percent of the total cost of the parts. For instance, just the glass display, which measures 9.7-inch diagonally, costs \$65.

Second in cost in the low-end, 16-gigabyte version is the memory, which runs about \$30. Then comes the battery for \$21.

Apple began selling the [iPad](#) on Saturday starting at \$499. Versions with

more memory run \$599 and \$699, and the company plans to start selling models with cellular wireless capability later this month, starting at \$629. The versions now out offer only Wi-Fi wireless connections.

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Citation: Research firm puts \$499 iPad costs at \$259.60 (2010, April 7) retrieved 27 April 2024 from <https://phys.org/news/2010-04-firm-ipad.html>

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