

Apple shares fall 2 pct with Jobs on medical leave

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Three file photos, from left, Jan. 2010, July 2010 and Oct. 2010, show Apple CEO Steve Jobs. Apple announced Monday Jan. 17, 2011, that Jobs is taking a medical leave of absence for the second time in two years. (AP Photo/Paul Sakuma/file)

(AP) -- Shares of Apple Inc. fell modestly Tuesday following the company's disclosure that Steve Jobs, the CEO who transformed the niche computer maker into the most-envied consumer-electronics brand today, is taking another medical leave of absence.

Analysts believe the company Jobs shepherded from garage startup to a \$65 billion technology trendsetter is in good hands with the current slate of talented executives - even as Apple, now the [Silicon Valley](#) player to beat, faces increasing competition from [Google](#) Inc. and others.

Investors appeared to agree. Although shares fell nearly 7 percent in Frankfurt Monday, when markets in the U.S. were closed, Apple lost only \$7.17, or 2 percent, to \$341.31 in midday trading Tuesday. Earlier

Tuesday, stock traded as low as \$326.

In the last decade, Jobs, 55, has survived a rare but curable form of pancreatic cancer and undergone a [liver transplant](#). The news that he will again step back from his day-to-day role raises serious questions about the CEO's health.

Investors have pinned much of their faith in the company on Jobs himself, sending shares tumbling on every bit of news or rumor of his ailing health. That's because Jobs is an industry oracle of sorts, inventing new products he knows consumers will want even before they realize it. He is also known as a demanding and hands-on leader who is involved in even the smallest details of product development.

In a note to employees, Jobs said he will continue as CEO and will be involved in major decisions. [Chief Operating Officer](#) Tim Cook will be responsible for all day-to-day operations.

For now, very little is known about Jobs' current condition. Apple did not provide any information beyond the six-sentence note announcing his leave, leaving unanswered questions about whether the CEO is acutely ill, whether the leave is related to his 2009 liver transplant or whether he is at home or in a hospital.

Unlike Jobs' 2009 leave of absence, when he vowed to return to work in less than six months, Jobs did not say in the note made public Monday how long he would be on leave this time.

"I love Apple so much and hope to be back as soon as I can," Jobs wrote. "In the meantime, my family and I would deeply appreciate respect for our privacy."

Many analysts believe the company can function successfully even

without Jobs in the corner office full-time - and with Apple at the forefront of a new revolution in personal computing.

In 2010, investors seemingly grew accustomed to Jobs' extreme thinness, focusing instead on the early success of the iPad with consumers. Shares increased 53 percent last year to top \$300. With Apple no doubt polishing the second version of the iPad and competition among tablet makers expected to heat up this year and next, some stockholders may fear that without Jobs, Apple could lose its lead to tablets running Google's Android software or Microsoft Corp.'s Windows.

Analysts believe Apple has plans for several years' worth of products in the pipeline. And Cook, who is seen as a logical eventual successor to Jobs, is no stranger to investors. He ran the Cupertino, Calif.-based company for two months in 2004 while Jobs battled pancreatic cancer, and again in 2009 during Jobs' most recent medical leave. Apple chugged along smoothly then, releasing a new version of the iPhone and updated laptops on schedule.

Since Cook, 50, began with Apple in 1998, he has been credited with tuning Apple's manufacturing process to solve chronic product delays and supply problems.

"Steve is clearly still the visionary behind Apple," said Tim Bajarin of Creative Strategies, who has been covering Apple for decades.

But, Bajarin said, Cook "understands the way Steve thinks, how Steve manages. He understands Steve's vision and probably more important than anything else, he understands Apple. And I don't see any changes in direction or vision or execution even though Steve's not day-to-day."

Apple's products can command a premium in part because of their design and materials, choices made by Jonathan Ive, Apple's top design

executive, and his team. Ive has been with Apple since 1996 and has overseen the industrial design of the iPod, the aluminum-body Macbook laptops, the iPhone and the iPad.

"He's responsible for the look and feel of the stores, the products, the software. And no slight to Tim (Cook), but we think he's the most important person in the company," said Shaw Wu, an analyst for Kaufman Bros.

Without more information about Jobs' medical condition, it's impossible to say when the CEO might be able to return to work - if at all. Apple has a history of extreme secrecy when it comes to the iconic CEO's health, disclosing major illnesses only after the fact.

The company waited until after Jobs underwent surgery in 2004 to treat a very rare form of pancreatic cancer - an islet cell neuroendocrine tumor - before alerting investors. That type of cancer can be cured if diagnosed early, unlike the deadlier and more common adenocarcinoma.

By 2008, Jobs had lost a noticeable amount of weight, but [Apple](#) attributed his gaunt appearance to a "common bug." In January 2009, Jobs issued a statement saying the weight loss was caused by a hormone imbalance, and that the treatment was simple. He backtracked less than two weeks later, however, announcing a six-month medical leave. During that time, he received a liver transplant that came to light two months after it was performed.

Methodist University Hospital Transplant Institute in Memphis, which performed Jobs' 2009 transplant, said Monday that he is not a patient. It declined to comment on his current condition.

Medical experts who do not treat Jobs can make some educated guesses.

Dr. Michael Poryako, medical director of liver transplantation at Vanderbilt University Medical Center in Nashville, listed a slew of conditions that might be affecting Jobs, including jaundice and kidney and vascular problems - not to mention side effects from the immunosuppressant drugs patients take following an organ transplant.

However, he said it's unlikely Jobs' body is rejecting his liver two years after the transplant.

"If the liver is functioning appropriately, people tend to return to normal muscle mass and normal physiologic functioning, which makes them feel better and look better," he said.

Dr. Roderich Schwarz, director of surgical oncology at the University of Texas Southwest Medical Center, said it is possible cancer has invaded Jobs' new liver.

Schwarz, who also has not treated Jobs, said it's possible the CEO is also having problems linked to his initial surgery targeting the pancreas, which controls key digestive enzymes.

Apple's board members approved Jobs' request for medical leave. Most did not immediately return messages seeking comment.

Arthur Levinson, chairman of Genentech Inc., declined to comment. Millard Drexler, CEO of J. Crew Group, was unavailable for comment, according to a spokeswoman. Former U.S. Vice President Al Gore referred a reporter to Apple's press office.

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