

Apple's pipeline: What's coming next

August 26 2011, By Dan Gallagher

The most common refrain on Thursday among Apple Inc. investors and analysts was that the resignation of Chief Executive Steve Jobs should not affect the company's pipeline of products that are expected to drive strong earnings growth.

Apple's future products are key to maintaining its momentum following Wednesday night's resignation of Jobs, who has been battling [health issues](#) again this year.

The stock fell slightly Thursday, with most analysts saying the company is in good hands with [Tim Cook](#), who took over the top job, along with a deep bench of other executives and a pipeline of future products that will include updates to blockbuster devices such as the [iPhone](#) and iPad. Read full report on reaction to Steve Jobs' resignation.

Of course, Apple officially has confirmed nothing about its plans for future products, hewing to the company's secretive practices. The only future launch announced so far is the next upgrade to its iOS mobile operating-system software, along with its iCloud service, which is expected sometime this fall.

The company also faces the challenge - further out - of coming up with new ideas that can match the phenomenal success of devices like the iPhone and iPad.

"Those are two huge products that are now 68 percent of (Apple's) revenue and even more of their gross profits, so how do you come up

with something else that will move the needle that much?" said Tim Cunningham of the Thornburg Growth Fund on Thursday.

But for the near term, leaks to [media outlets](#) and channel checks among [Wall Street analysts](#) indicate a strong pipeline of new products for the coming months, including the following:

iPhone 5

The iPhone has become Apple's largest single product line, in terms of revenue. The company shipped more than 20 million units in the June quarter-accounting for nearly 47 percent of total revenue for the period.

Apple typically has refreshed the iPhone in the summer, but the company passed that deadline in favor of a fall launch for the successor to the popular iPhone 4. The new iPhone is expected to begin shipping by late September, or mid-October at the latest, and be available in the United States at all three major wireless carriers, including AT&T Inc., Verizon Communications Inc. and Sprint Nextel Corp.

This year's iPhone is not expected to be a major redesign of the product, but rather a souped-up version of the iPhone 4 that will operate on all the world's major wireless networks.

Also, Apple is expected to release a version of the device for 4G networks using LTE technology sometime next year, as well as a possible low-cost version for emerging markets and prepaid services.

iPad 3

The first iPad hit the market last year and became an instant hit, giving Apple a commanding share of the relatively nascent market that no competitors have yet been able to crack.

The company launched the iPad 2 earlier this year, which has maintained the momentum. More than 9.2 million units were shipped in the June quarter - pushing the iPad above the company's flagship Mac business in terms of total revenue.

While Apple usually has not undertaken two major updates on the same product in a single year, several reports of late have suggested that production on a newer version of the iPad will start in October. The new device is expected to feature a sharper display, similar to the Retina display used in the current iPhone 4.

Jeff Fidacaro of Susquehanna wrote in a note Thursday that Apple may produce both the iPad 2 and iPad 3 simultaneously, selling the older model at a lower price point - the way it does with its current iPhone models.

iPod

Apple typically has updated its line of iPod media players in the fall, in time for the holiday-shopping season, with media events that usually have taken place in early September.

No such event has yet been announced. The company used last year's event to give a major overhaul to its iPod nano, giving the line a touch screen to join its popular iPod touch line.

The iPod business made up a little more than 5 percent of Apple's total revenue for the first six months of this calendar year, though the devices also help drive sales at the company's iTunes store - and in the case of the iPod touch, its App Store.

Mac

Apple already has updated its line of Mac computers this year. The MacBook Air and Mac mini computers were refreshed last month, and new iMacs with quad-core processors launched in May.

The company also launched its new Mac operating system called OS X Lion last month, for which 1 million downloads were sold on its first day.

Revenues from the Mac business made up about 19 percent of the company's total revenue base for the first six months of this year.

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