

# Report: Newest iPhone model costs \$179 to make

24 June 2009

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(AP) -- Research firm iSuppli says Apple Inc.'s latest iPhone costs just a few dollars more to make than the previous model.

That analysis comes despite the new iPhone 3GS having [new features](#) like a better camera and video-recording capabilities.

iSuppli said Wednesday that its breakdown of the 3GS indicates the smaller 16-gigabyte model costs \$178.96, mostly for parts, including \$24 for [flash memory](#). iSuppli estimates manufacturing is \$6.50 of that amount.

The new iPhone costs \$199 or \$299, depending on its storage capacity, when purchased with a new two-year service contract from AT&T Inc.

An earlier teardown by iSuppli estimated that the 8-gigabyte [iPhone 3G](#) cost \$174.33 to build. At the time, it cost \$199 with a new two-year contract. It now costs \$99.

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