

## **This Week's Stories**

### **Apple Sells a lot of iPhone 4s, AT&T Mobility Braces for Impact**

June 29, 2010

Driven by an insatiable consumer demand for anything "i" related, and apparently overlooking some slight design flaws, Apple Inc. said it managed to sell more than 1.7 million iPhone 4 devices through its first three days of availability, becoming the "most successful product launch in Apple's history," according to heady quote from Apple CEO Steve Jobs.

The numbers were more than half the number of iPad's Apple managed to sell during that device's first 80 days of availability.

There was no word yet on the number of iPhone 4's devices sold in the U.S. through exclusive carrier partner AT&T Mobility though Piper Jaffray noted in a report that more than three-fourths of those sold in the U.S. were upgrades and thus would not bolster the carrier's net customer addition results.

Apple noted that the device is currently available in the U.S., U.K., France, Germany and Japan, with plans to expand availability to Australia, Austria, Belgium, Canada, Denmark, Finland, Hong Kong, Ireland, Italy, Luxembourg, Netherlands, Norway, New Zealand, Singapore, South Korea, Spain, Sweden and Switzerland by the end of July.

RCR Wireless' features editor Matt Kapko was one of those that braved the lines on launch day spending 10 hours in line at a southern California Apple retail outlet before finally getting his hands on an iPhone 4G.

While there have been widespread reports of device shortages, including the delayed availability of a white model until later next month, AT&T Mobility was set to begin offering the device through its retail locations beginning today. The exclusive domestic home of the device was not on the list of outlets deemed worthy to begin selling the device on launch day.

In support of the new iPhone's flooding its network, AT&T Mobility said it had increased capacity of its 3G network in the New York City area. The updates included the addition of new carriers to "nearly all cell sites in Manhattan and in other areas as needed throughout the Bronx, Queens and Brooklyn," as well as adding a "layer" of precious 850 MHz spectrum to support increased coverage. The carrier has been transitioning portions of its 850 MHz spectrum from its legacy 2G network to its 3G service over the past several years in an attempt to bolster the 3G network's coverage and capacity. The 3G network originally launched using the carrier's 1.9 GHz

spectrum band.

The New York area along with San Francisco are areas where the carrier has acknowledged its 3G network has suffered in the wake of increased consumer demand for mobile data services.

AT&T Mobility recently launched a pilot Wi-Fi project in Times Square designed to alleviate network capacity issues on its 3G network.

#### **Tear down**

According to a tear-down report from iSuppli Inc. the iPhone 4 has a build of material cost of \$187.51, placing it just ahead of the \$166.31 BOM for the iPhone 3G that launched in 2008 and the \$170.80 for the 3GS model launched in 2009, but well below the \$217.73 iSuppli reported for the original iPhone that launched in 2007. AT&T Mobility sells the iPhone 4 at a subsidized price of \$199 for the 16 GB model and \$299 for the 32 GB model.

iSuppli noted that the iPhone 4's screen represented the single most expensive component of the device carrying a price tag of \$28.50, or just over 15% of the total BOM. The firm noted that the screen was provided by either LG Display or Toshiba Mobile Display. The device's embedded memory, which in the device torn apart by iSuppli was sourced from Samsung Electronics Co. Ltd., accounted for \$27 of the BOM.

Other suppliers and costs noted in the tear down included \$13.80 for the Samsung supplied 4 Gbits of mobile double data rate SDRAM; an Infineon Technologies AG supplied baseband integrated circuit valued at \$11.72; and \$10.75 for a Samsung manufactured A4 applications processor that uses Apple's intellectual property.

Other companies with their names on components included Intel Corp., STMicroelectronics, Dialog Semiconductor, Broadcom Corp., Texas Instruments Inc., Cirrus Logic and AKM Semiconductor Inc.

<http://www.rcrwireless.com/>

## **Product & Service News**

### **Sprint Announces Second WiMAX Phone, the Samsung Epic 4G**

June 28, 2010

Sprint Nextel introduced its second 3G/WiMAX-capable smartphone, this time from Samsung. And the Android device comes with a long list of features.

The Samsung Epic 4G Galaxy S smartphone is part of Samsung's Galaxy S lineup and features a front-facing camera for video conferencing, a full, slide-out Qwerty keyboard and a 4-inch "Super" AMOLED touchscreen display. The back of the device features a 5-megapixel camera with auto focus and the ability to record video at 720 p.



Samsung Epic 4G

Powered by the Android 2.1 platform, which the companies said will be updated to Android 2.2 in the near future, the Samsung Epic 4G also supports a series of advanced touchscreen gestures including multi-touch pinch, long tap and zoom and vertical and horizontal swiping. Users have access to three different ways they can input text: via the slide-out keyboard, a virtual keyboard and Swype technology, which allows users to input text with one continuous finger motion across the virtual keyboard (Swype is a Fierce 15 2010 winner).

Other features include Samsung's 1 GHz Cortex A8 Hummingbird Application Processor and mobile hotspot capability. On the entertainment side, the Samsung Epic features Samsung's new Media Hub that enables users to rent or purchase movies and TV shows. The device also features Samsung's AllShare service to wirelessly share stored music, pictures and HD video to other Digital Living Network Alliance-certified home electronics.

Sprint and Samsung have yet to announce when the Samsung Epic will go on sale or the price of the device. The gadget is Sprint's second WiMAX smartphone, after the recently announced HTC Evo 4G. The Epic also represents Samsung's effort to blanket the U.S. market with its Galaxy S line of phones; already carriers including T-Mobile USA, Verizon Wireless and AT&T Mobility have announced plans to sell iterations of Samsung's Galaxy S.

<http://www.fiercebroadbandwireless.com/>

## Cisco Launches Cius Tablet for Business

June 29, 2010

Cisco Systems today unveiled the Cius, a 7-in. touchscreen tablet computer that runs the Android OS, and is sure to be compared to the Apple iPad .

The device was demonstrated at the Cisco Live! customer event here by CEO John Chambers with a live videoconferencing transmission over the tablet from researchers on a submarine in the Aegean Sea. The audio portion of the demonstration broke up slightly, but the video was constant. A satellite link was included in the connection and added some minor delay.

Chambers showed how the Cius (pronounced "see us") can be held in a wired docking station for desktop use and then carried as a mobile tablet when needed.

Cisco posted specifications of the new device, but no pricing was announced.

The device works with cellular 3G and 4G networks, as well as Wi-Fi and Bluetooth. High-definition 720p video is supported, Cisco officials said. It will generally available in the first quarter of 2011.

The tablet weighs 1.5 pounds and has a detachable eight-hour battery. An Intel Atom 1.6 GHz processor powers the device.

While Cisco's online information describes a 7-inch device, Chambers also demonstrated a slightly smaller version of the Cius for use by students. No details on it were available.

Ken Dulaney, an analyst at research firm Gartner Inc. (IT), said "there will be a broad tendency to compare the Cius to the Apple iPad," but that the Cius is really an "upgrade to a worker's desktop, replacing the deskphone" with more interactivity for video.

But Dulaney said he is concerned over what price will be charged for the device, whose 7-in. screen is smaller than the iPad's 10-in. screen. "And possibly [I'm concerned] that people in the marketplace just want iPads," he added.

Cisco got the name Cius from a combination of "Ci," for the first two letters of Cisco's name, and "Us." When combined the word is a play on "see us," to reflect the tablet's videoconferencing capabilities.

<http://www.cio.com/>

## TeliaSonera Gears up to Ship First Dual-mode LTE / 3G USB WWAN Modem

Jun 30, 2010

Care about Samsung's GT-B3730? Probably not... but what if we told you that that very device is the planet's first commercially available dual-mode LTE / 3G

WWAN modem? Now that we've got your attention, you may be interested in knowing that overseas operator TeliaSonera -- hailed as the first carrier on the planet to fire up an LTE network and make it available to Joe and Jane last year -- is just about ready to start shipping the aforesaid Samsung. As of now, the only way to hop onto their LTE superhighway is with a 4G-only modem, and while it had promised a two-faced stick in the second quarter of 2010, we're elated to finally put a face to a promise. The primary downside is that there's no current way for the USB modem to switch from LTE to 3G (or vice-versa) on the fly; instead, you'll need to kill the connection and start a new one when you leave / enter a 4G zone. Purportedly, the stick will play nice with both Windows and OS X, and it can hit real-world download rates as high as 80Mbps and upload rates of 16Mbps. Suddenly, a relocation to Sweden seems altogether more inviting, no?

<http://www.engadget.com/>

## Smartphone Apps Hit Brew Sales, says Verizon

July 2, 2010

Verizon Wireless, one of the longest customers for Qualcomm's Brew platform, says it is committing to the feature phone app service despite three years of declining sales and a tendency of Brew subscribers to stop using the service after a few downloads.

Speaking at Qualcomm's Uplinq conference, Verizon Wireless Chief Marketing Officer said the company had questioned whether it should continue to invest in Brew but ultimately decided the platform was worth keeping. More than half of Verizon's subscriber base is comprised of Brew-based devices.

"The obvious answer was to let Brew go and focus on other operating systems," Stratton said, adding that the company ultimately decided it was "unwise to ignore" the 56 million Verizon subscribers using devices with Brew. "Looking at the fundamental economics, it's a pretty good business."

Verizon, who began offering apps on the Brew platform in 2003, began seeing declines in revenue from the Brew platform in 2007 as the early adopters who had been attracted to app downloads on Brew began defecting to smartphones.

The carrier also reported that most users quickly lost interest in the service after their initial introduction. "Their activity on Brew really plummets," Stratton said, explaining usage trends on the Brew platform. "They download some ringtones, a wall paper and then never go back."

Instead of abandoning the platform, Verizon decided to revitalize their Brew offerings by nearly halving the amount of time it takes to get an app certified and launching Qualcomm's new Xiam recommendation platform. Verizon's Open Catalogue process for Brew cuts the app approval process to 12 to 18 days from 25-30 days. "We were sort of over-the-top with our app certification process, particularly in the early days," Stratton said in a media briefing after his speech.

Stratton also said the capabilities of the updated Brew MP platform would also accelerate adoption of the service. Before Brew MP came out, the platform did not allow free apps. The new Brew MP platform supports free and paid apps, as well as apps that are free but can be upgraded with micropayments. Stratton said developers with Brew apps on its network will ultimately be able to put ads in their feature phone apps.

"This is a revitalization of the Brew experience for our customers," Stratton said.

The limitations of the Brew platform handicapped the service amid higher-performing app offerings from smartphone platforms like Android, iPhone and BlackBerry. Stratton said he was confident Verizon's new Brew initiatives would boost adoption of the service. "I think this will be self-generating once it gets rolling," he said.

<http://www.wirelessweek.com>

## Mergers/Acquisitions/Partnerships

### Disney Buys Maker of Tap Tap Revenge

July 2, 2010

Disney has bought out mobile games developer Tapulous, whose flagship Tap Tap Revenge app has been installed by more than one third of iPhone and iPod touch users. Financial terms of the acquisition were not disclosed.

Under the companies' merger agreement, Tapulous will become a wholly-owned subsidiary reporting to the mobile content division of Disney Interactive Media Group (DIMG).

DIMG President Steve Wadsworth emphasized Tapulous' successes with applications. "Mobile gaming is seeing unprecedented growth and this is the right time to invest to strengthen our position in the mobile business," he said in a statement.

Tapulous founders Bart Decrem and Andrew Lacy will take on the leadership roles for the DIMG mobile group with Decrem, who is also CEO of Tapulous, reporting to Wadsworth.

"By joining Disney, we will be able to continue to excel in this evolving industry and more quickly realize our vision to lead the mobile, social entertainment revolution," said Decrem in a statement.

Disney's interactive media segment has moved aggressively in the mobile space with several high-performing apps with more than one million downloads each. DIMG's apps include Alice in Wonderland Lite, Fairies Fly Lite and JellyCar 2, which is Disney's most successful premium game in the App Store to date. DIMG also manages a Disney-branded mobile phone service in Japan in association with Softbank.

<http://www.wirelessweek.com>

## **Industry News**

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### **Worldwide Mobile Subscriptions Forecast to Exceed Five Billion by 4Q-2010**

June 30, 2010

ABI Research forecasts over five billion mobile subscriptions by the end of 2010, with an approximate 4.8 billion connections having been reached by the end of the year's first quarter. Much of this growth will be registered in developing markets in Africa and the Asia-Pacific region.

Africa remains the fastest growing mobile market with a YoY growth of over 22%. Mobile penetration in Asia-Pacific will rise significantly to 65% by the end of 2010. "This unprecedented growth is driven by India and Indonesia, which have together added over 150 million subscriptions in the past four quarters," comments ABI Research analyst Bhavya Khanna. "Falling monthly tariffs and ultra-low-cost mobile handsets have democratized the reach and use of the mobile phone, and aggressive rollouts by mobile operators in these countries will see the current rate of subscriber addition maintained for some time to come."

At the other end of the spectrum, developed countries in North America and Europe continue to add subscriptions despite already having crossed the 100% penetration threshold. Driving this growth in subscriptions are new mobile devices and the 'third screen' - including netbooks, tablet computers, USB dongles and e-book readers. "The success of Apple's iPad 3G shows that even operators in saturated markets can add subscriptions by introducing

innovative and user-friendly devices," says vice president of forecasting Jake Saunders.

In addition, the introduction of 4G data networks such as WiMAX and LTE will see more consumers ditch their cables and access the Internet through mobile broadband connections. Operators such as Clearwire in the United States and Yota in Russia have seen consumers turn to their networks as fast and mobile alternatives to fixed-line broadband.

ABI Research's "Wireless Subscriber Forecasts" series of Market Data products - North and South America, Asia-Pacific, Western and Eastern Europe, Middle East and Africa, and Worldwide - tracks key subscription trends by quarter by operator for over 120 markets. The database forms part of ABI Research's The Mobile Consumer Research Service which also includes Research Reports, market updates, industry databases, ABI Insights and analyst inquiry support.

<http://www.fiercemobilecontent.com/>

### **Verizon iPhone Could Add 12 Million More iPhone Users**

June 30, 2010

We have been hearing rumors for quite some time that Apple would be bringing the iPhone to the Verizon Wireless network, and have even heard rumors this week that it may be coming in January, although I think we can take that rumor with a pinch of salt.

According to analyst Yair Reiner from Oppenheimer, a Verizon iPhone could have a serious impact on both Apple and Google, as he estimates that around 12 million Verizon users would switch to an iPhone.

This would have a huge effect on Apple's revenue and could boost it by as much as \$7 billion, but also it could have an impact on Google Android devices which customers have been buying on Verizon rather than switching to AT&T for the iPhone.

This could tie in with the fact that AT&T allowed customers to upgrade to the iPhone 4, thus locking them in to an AT&T contract, and they then wouldn't easily be able to move to Verizon.

If Apple are smart then they will definitely launch the iPhone on the Verizon network, and they should also launch it on other networks in the US like they have done in the UK.

For the week Ending July 2, 2010

No doubt we will be hearing more and more Verizon iPhone rumors over the next couple of months, until we get something official from Apple and Verizon.

<http://www.geeky-gadgets.com/>



120 Madison St. 15<sup>th</sup> Floor  
Syracuse, New York 13202  
(315) 470-1350 1-888-8KSRINC