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Apple's revenue is soaring, lifted by iPod's appeal

Ellen Lee, Chronicle Staff Writer

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The iPod's mainstream appeal is drawing new consumers to try Apple's other products, from its Macs to its digital media software.

Call it the halo effect: The iPod's phenomenal popularity is shining a light on the rest of Apple Inc.'s business, with the company reporting Monday that it made \$6.2 billion in revenue from sales of its iPods, iPhones and Macintosh computers this summer.

Of note, the Cupertino technology-maker said it sold a record 2.2 million Macs for the three months that ended Sept. 29. Consumers also bought 1.2 million iPhones and 10.2 million iPods during the same period.

"They made a statement that the halo effect was real for two quarters in a row," said Gene Munster, an analyst with Piper Jaffray, referring to the previous quarter, when Apple also sold a record number of Macs.

As has been the case for several quarters now, Apple executives said that about half of the Macs sold through Apple stores are to customers who have never owned a Mac before. Mac sales also were fueled by the company's "Back to School" campaign, which offered special discounts for students and teachers.

"We've introduced the Apple brand to them through the iPod," Tim Cook, Apple's chief operating officer, said on a conference call.

The company reported that it netted \$904 million (\$1.01 per share) in profit for the quarter that ended Sept. 29, compared with \$542 million (62 cents) for the same quarter last year. Its \$6.2 billion in revenue for the quarter compared with \$4.84 billion for the same three months a year ago.

Apple shares rose about 2.3 percent, or \$3.94, to \$174.36 per share Monday, and continued climbing in after-hours trading after Apple released its earnings.

Company executives said iPhone sales - which surpassed the 1 million target set last quarter - increased after the company slashed prices last month. Sales of the new iPods, also introduced last month, also have grown, they said.

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"We're looking forward to a strong December quarter as we enter the holiday season," Apple CEO Steve Jobs said in a statement.

Company executives also disclosed that, of the nearly 1.4 million iPhones sold since the device was introduced in June, an estimated 250,000 of them were purchased by people trying to unlock them so that they could use the iPhone on a cell phone carrier other than Apple's dedicated partner, AT&T.

Through an exclusive partnership, AT&T and Apple share a portion of each consumer's monthly cell phone subscription fee.

Apple executives also said Monday that the company planned to open its first Apple store in China next year, in Beijing, probably in time for the 2008 Olympics.

APPLE INC. (Cupertino)		
Fourth quarter	2007	2006
Revenue \$6,217,000,000	\$4,837,000,000	
Net profit \$904,000,000	\$542,000,000	
Share earnings \$1.01	\$0.62	
Fiscal Year	2007	2006
Revenue \$24,006,000,000	\$19,315,000,000	
Net profit \$3,496,000,000	\$1,989,000,000	
Share earnings \$3.93	\$2.27	