



Portelligent, Inc.

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For immediate release

Apple's "Gen3" iPod Nano: Some New Twists on a Classic Theme

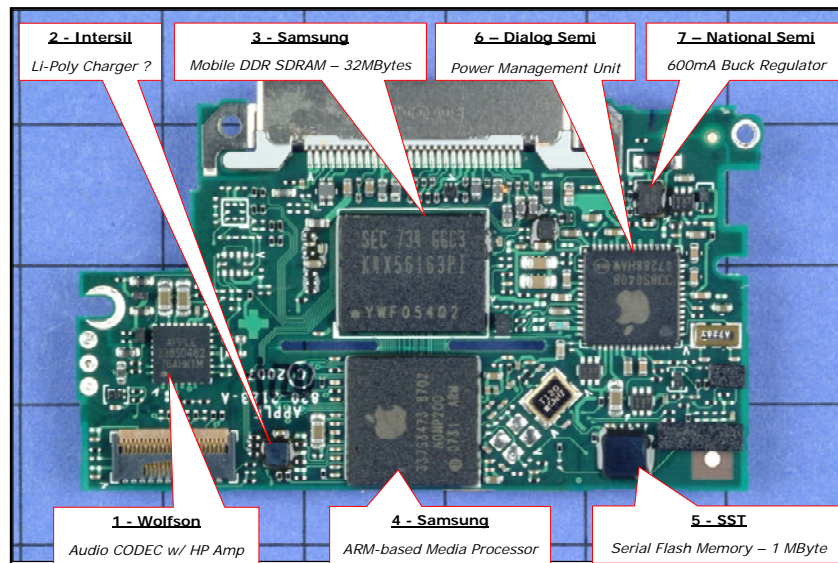
A "QuickTurn Teardown" analysis conducted by Portelligent, Inc. on the newly released third-generation Apple iPod Nano MP3 Player reveals some points of continuity with the previous "Gen2" Nano – including a core multimedia processor from Samsung – but also, in predictable fashion for Apple, introduces some new suppliers in new roles.

Austin, USA — September 10, 2007 – A "QuickTurn Teardown" analysis of the new "Gen3" iPod Nano MP3 Player, conducted by product teardown specialist Portelligent, Inc., of Austin, Texas, has revealed the identity of semiconductor makers who have secured key design wins in the new product.

Among Portelligent's first findings were:

- As with the Gen2 iPod Nano before it, Apple has chosen Samsung as the supplier of the multimedia processor for the new iPod Nano. In addition to handling audio data and static-image processing, the Samsung S5L8702XC1 has the capability to process video data streams. Like the previous-generation Samsung S5L8701B05, the Samsung media processor in the Gen3 Nano handles the interface to NAND memory directly.
- In the 8-Gigabyte Nano that Portelligent analyzed, Intel NAND Flash occupied a high-dollar socket with a key memory design win. The Intel Flash devices were employed in conjunction with Staktek's X2 TSSOP stacking technology, combining two 4-chip packages of 1-Gbyte ICs. Portelligent considers it highly likely that Apple is using multiple suppliers of NAND Flash, but has no indication of the mix at this time.
- Samsung supplies a 32-MByte Mobile DDR SDRAM that provides working memory in the unit that Portelligent analyzed. Rounding out the memory complement was a 1-MByte Flash device from SST assumed to serve as a boot code store.
- Other semiconductor makers with significant design wins in the Gen3 Nano include Wolfson Microelectronics (audio CODEC and headphone amplifier), Dialog Semiconductor (primary power management IC), and Cypress Semiconductor (scrollwheel controller).

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Primary printed circuit board in the Gen3 iPod Nano, with selective IC identifications.
 [Source: Portelligent, Inc.]

According to David Carey, president and CTO of Portelligent, “Samsung’s design win with the multimedia processor is significant, perhaps even more so than when they first appeared in that socket in the “Gen2” products. In the early days of the iPod family, PortalPlayer achieved sequential wins, but it certainly wasn’t a foregone conclusion that Apple would choose Samsung again over an alternative supplier of an ARM-based processor this time around.”

Preliminary bill-of-materials analysis performed by Portelligent suggests that Apple will continue to enjoy healthy gross profit margins on the latest generation of the iPod. Portelligent estimates the cost-of-goods sold of the 4GByte Gen3 Nano at 46 percent of the retail price of \$149, with the 8GByte model coming in somewhat higher, at 50 percent (with a retail price point of \$199), suggesting gross margins around 50 percent, or somewhat higher.

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Portelligent, Inc., located in Austin, Texas, USA, offers reports and analyses that are generated through a rigorous “product-teardown” methodology to the electronics, wireless, semiconductor, and financial sectors. Portelligent is a spin-out of the MCC research consortium, where underlying analytical methods and cost models were developed.

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