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3G iPhone to cost £100

O2 to subsidise new model

by Amy-Mae Elliott published on 2 June 2008

Reports are suggesting the 3G iPhone will go on sale in the UK for around the £100 mark.

Apple is apparently adjusting its strategy to boost sales, new deals with operators have revealed that the company is changing its fixed price, exclusive partner business plan in order to hit its 10 million iPhone sales target for this year.

Steve Jobs is expected to unveil the second-gen, 3G iPhone at the company's WWDC08 developer event in the States next week.

The Times quotes "a source close to the deal" stating that the new model is expected to be on shop shelves by July, very shortly after the launch in America.

UBS analysts think the iPhone will be available in Europe for as little as 99 euros, and suggest O2 could subsidise the cost of the phone, meaning the price to the consumer dropping to £100.

Ben Wood, a CCS Insight analyst, said: "They are also looking for more flexibility on how the operators can price the iPhone, although I am not convinced that they will let them have open season on the price, as they have a lucrative iPod market to protect".

