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iPhone 3G costs \$100 to make?

Could be Apple's most profitable product

by Amy-Mae Elliott published on 17 June 2008

Experts are suggesting that Apple's iPhone 3G costs "considerably" less than the original to make, perhaps explaining the company's new "not more than \$199" pricing strategy.

Some speculative analysis by Portelligent, an Austin, Texas-based teardown specialist has told EETimes that based on what his firm knows about the components Apple is using, the bill of materials for the new phone could be as low as \$100 compared to the \$170 of the first-gen iPhone.

"Apple's really taking the gloves off on this one", Carey told EETimes, reporting that although the 3G and GPS chips in the iPhone 3G add to the cost, but the price of the display has halved thanks to engineering changes. It's thought Apple could be selling the iPhone 3G to mobile phone operators for \$399.

"If these numbers are true", says Yankee Group analyst Carl Howe, "the iPhone 3G could end up being the most profitable product Apple makes".

