

17 March 2008

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[It's Either DVR for Apple TV or Blu-ray for Macs](#)

Apple might turn its 'hobby' into a profitable business with the implementation of one small feature

American Technology Research analyst Shaw Wu sees Apple's "hobby," the [Apple TV](#), as a future multi-billion dollar business. Why? It's simple really. **DVR**. According to the analyst, the implementation of digital video recording features into the Apple TV could bring over a billion dollars annually. "We estimate AppleTV to be a very minor contributor today at ~0.3-0.4 percent of revenue or \$100-125 million annually," Wu wrote in a note to clients. "We believe adding the ability to watch and record live TV could turn this into a billion dollar, if not multi-billion dollar business." Wu predicts that the incremental cost per unit would not rise higher than 12 to 15 dollars. It is only a logical step for Apple to take, if the company is indeed planning to focus more on its digital media receiver. "We (as well as many others) have been clamoring for DVR and/or TV tuner capabilities since the introduction of Apple TV 1.0 in January 2007 and even Apple TV 2.0 with movie rentals in January 2008. We are pleased to see Apple listening to customers similar to what it has done with iPhone, with adding native access to Exchange server," Wu declared. The American Technology Research analyst also hovered over what looks like the final steps of Apple adopting Sony's [Blu-ray](#), citing his own sources. According to Wu, Sony and Apple are close to finalizing negotiation stages of bringing the winning format to Macs. "Thus while near-term trends look difficult with a looming recession and a slow-down in consumer spending, we continue to believe Apple is well-positioned to weather the storm better than most with its strong fundamentals," he wrote. "[We] reiterate [our] BUY rating and price target of \$175," Wu added. It is clear that Apple is facing some contradictory options here, as the adoption of Blu-ray may affect the iTunes business, so which feature do you think stands a better chance of making it onto Apple's products?