

By: June 2005

## **iPod's sales in trouble**

### *May lead to drop in NAND prices*

It looks like Steve Jobs & CO might be having some problems, coming from where they would have least expected. The iPod shuffle sales have been "weaker than expected", thus causing a build up of components, especially NAND memory modules. In the past few weeks there have been numerous reports regarding the dramatic decrease in the level of sales for the iPod mini and iPod shuffle models, and rumor has it that Apple's got thousands of unsold products. Moreover, sources from within Samsung, the manufacturer of the NAND memory modules for the iPod, say that the company is having some problems due to the large quantity of chips allotted for Apple, because Jobs's company has contracted a much larger quantity than currently required. It's not sure what will happen with this surplus, but if iPod's manufacturers are to cancel the order, the NAND market, already affected by the influx of NAND modules from other manufacturers, will be literally invaded by a large quantity of products, thus leading to a drop in the level of prices of up to 40%. And as if it wasn't enough, Apple is also deliberately combining the sales figures for the four iPod products, which up until now were presented separately. This strategy is making it impossible for the analysts to determine the success of a certain product.