

Newsweek

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Steve Jobs and The Must-Have Music Player Everyone Is Talking About

iPod, Therefore iAm



newsweek.msnbc.com Steve Jobs with the new iPod



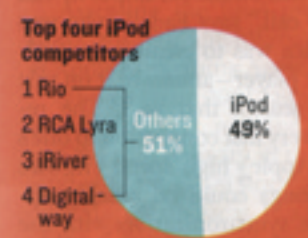
DRESS IT UP
R&B star Alicia Keys, helping Jobs open an Apple store in London, may be interested in a designer case by (clockwise from top) Louis Vuitton, iSkin, Gucci, Prada or Coach

limited-function computer with a capacious disk drive, decked in white plastic and loaded with something that until very recently was the province of ultrageeks and music pirates: digital files that play back as songs. Apple wasn't the first company to come out with a player, but the earlier ones were either low-capacity toys that played the same few songs, or brick-size beasts with impenetrable controls. Apple's device is not only powerful and easy to use, but has an incandescent style that makes people go nuts about it. Or, in the case of 16-year-old Brittany Vendryes of Miami, to dub it "Bob the Music Machine." ("I wanted to keep it close to my heart and give it a name," she explains.)

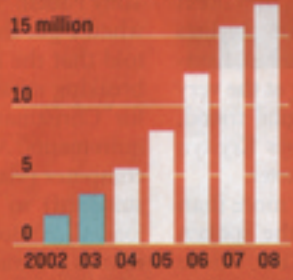
Adding to the appeal is the cachet of A-list approbation. "I love it!" says songwriter Denise Rich. "I have my whole catalog on it and I take it everywhere." She is only one voice in a chorus of celebrity iPodsters who sing the same praises voiced by ordinary iPod users, but add a dollop of coolness to the device, as if it needed it. Will Smith has burred to Jay Leno and *Wired* magazine about his infatuation with "the gadget of the century." Gwyneth Paltrow confided her Pod-love to *Vogue* (her new baby is named Apple—coincidence?). It's been seen on innumerable TV shows, movies and music videos, so much so that Fox TV recently informed Josh Schwartz, producer of its hit series "The O.C.," that future depictions of music players would have to forgo the telltale



DIGITAL-PLAYER MARKET
SHARE OF UNITS SOLD, APRIL 2004



PROJECTED SALES
PORTABLE DIGITAL PLAYERS



U.S. MUSIC REVENUES
OVERALL FORECAST, IN MILLIONS

	2003	2008
Downloads	\$36	\$3,198
Subscriptions†	47	1,374
CD sales	10,660	9,314
TOTAL	\$10,743	\$13,886
Bought online	1%	33%

*INCLUDES SERVER SALES. †ONLINE MUSIC SUBSCRIPTIONS. SOURCES: APPLE, THE IPO GROUP/MP3 TECH-WORLD, JUPITER RESEARCH, FORRESTER RESEARCH, INC.

PHOTO LEFT: ANDREW HALLIDAY; RIGHT: JAMES HAMILTON FOR NEWSWEEK