

## >: Apple: On Top of the World

Wednesday, January 17, 2007 / Wayne Mulligan

Well, last week was definitely action-packed in the tech world, to say the least.

For those of you who don't know, I was out on the West Coast all week so I could be close to the action ? we had the Consumer Electronics Show (CES) in Vegas and MacWorld in Frisco, all in the same week.

Many companies came, they saw, but Apple (Nasdaq: AAPL) conquered.

There was a ton of interesting and exciting products coming out of the CES ? the SlingBox from Sling Media, a privately held San Mateo, California company, being my favorite ? but Apple had *all* of these guys trumped.

Apple finally unveiled the long rumored Apple iPhone ? a new mobile phone that promises to redefine the mobile experience.

Not only can you make and receive calls, but this puppy has a built-in PDA and video and music player (iPod software.)

Best of all, the entire phone is button-less ? that's right, it's all controlled through a touch-screen that takes up the entire face of the phone.

This has a number of powerful implications for Apple:

Now you can watch videos on your iPhone ? but on a much wider screen than the iPod video.

You can also use it to pull up calendars and events, all by tapping on the screen itself ? not some pesky keyboard.

This device could truly remake Apple's entire product line. I mean, if people start signing up for new cell phone contracts in order to get this device at a discount, they won't have a need for a separate iPod or iPod video, right?

This phone is truly defining the term ?convergence?.

This was a term thrown around in tech circles for years. It describes the process by which our lives will converge around technology. For example, as you take the train home from work, you can watch your pre-recorded TV program on your cell phone which is also letting you know that dinner is already on the table and your wife is angry with you?*convergence!*

The great thing about Apple is that the company launched another, and in my opinion, an equally amazing product only a few months ago.

If you recall, I wrote about the Apple iTV back on Sept 13th, 2006. ([http://www.thetycoonreport.com/past\\_issues/663907674](http://www.thetycoonreport.com/past_issues/663907674))

This product basically allows you to download a movie onto your computer and then have it streamed wirelessly to your television.

Now, imagine that product combined with a product like the SlingBox ? the SlingBox lets you watch your cable television from any computer around the world.

If you had the Apple iTV hooked up to that computer, you could, instead of watching a tiny video on your PC, watch a full-sized cable program while you're in India (where "The Sopranos" doesn't get much air time.)

We are truly living in amazing times, and Apple is certainly one of the companies that's making it so.

Even if this company captures a fraction of the multi-billion dollar handset market, it would do wonders for its top and bottom lines.

The only hurdle the company has in its way right now is a lawsuit from Cisco (Nasdaq: CSCO,) because Cisco legally owns the trademark for the product, ?the iPhone?.

In fact, Cisco released its own product called the iPhone just a month ago ? in my opinion it was a preemptive measure in order to shake Apple down for some royalty payments, but that's just me and my paranoia talking.

The price of the stock is looking a bit rich right now, but I'd be a big buyer on a pullback ? especially if this ?options scandal? with Steve Jobs gets blown out of proportion.

That could cause just the type of pullback an investor would need before picking up some shares in this company.

In any case, if I already had Apple in my portfolio, I definitely wouldn't be a seller here. My feeling is that this company still has a few more tricks

up its sleeve, and I just can't wait to see what they are!

Have a great week!

A handwritten signature in black ink that reads "Wayne Mulligan". The signature is fluid and cursive, with the first name "Wayne" and last name "Mulligan" clearly distinguishable.

Wayne Mulligan  
Chief Investment Officer

[>](#)