

Apple briefly became second most valuable company

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Apple Inc. briefly overtook PetroChina Co. to become the second-biggest company in the world by market value, lifted by investors betting on growth prospects for the iPhone, Macintosh and iPad.

Apple climbed as high as \$292.76 in intraday trading on the Nasdaq Stock Market, giving it a market value of \$267.5 billion, the second-highest company behind Exxon Mobil Corp. By 4 p.m. New York time, Apple slipped to \$288.92, putting the company's value at \$263.9 billion, less than PetroChina's \$265.5 billion valuation.

Since introducing the iPhone in January 2007, Apple's stock has more than tripled. The device now accounts for almost 30 percent of the company's revenue. Earlier this year, Apple introduced the iPad tablet computer, which is already outselling the nine-year-old iPod.

"There's no reason at all Apple can't grow much, much bigger," said Jane Snorek, an analyst with Minneapolis-based First American Funds, which has more than \$100 billion under management, with Apple as its largest technology holding. Apple still has a small portion of the market for phones and computers, she said.

Gene Munster, an analyst at Piper Jaffray Cos. in Minneapolis, said today that Apple will sell 21 million iPads next year, an increase from his earlier estimate of 14.5 million. The company is expanding distribution channels, selling more internationally and increasing sales to businesses. Apple's stock could reach \$390 a share, Munster said. Analysts surveyed by Bloomberg on average predict a share price of \$342.81 in the next 12 months.

Apple may have a hard time meeting those projections, said Keith Goddard, president and chief executive officer of Capital Advisors Inc., which owns Apple shares. Smartphones and tablet computers using Google Inc.'s Android operating system will cut into Apple's performance, he said.

"We are reaching a point where expectations are starting to outrun what Apple may be able to deliver," Goddard said. "Android is capturing market share much faster than the raging bulls on Apple are giving credit for."

The share of smartphones in the U.S. running Android rose to 17 percent in the quarter ended in July from 12 percent in the previous three months, according to ComScore Inc. data. Apple's iPhone software ran on 24 percent of smartphones, down from 25 percent.

In May, Apple overtook Microsoft as the most valuable technology company. The company was on the verge of bankruptcy when CEO Steve Jobs resumed leadership in 1997. Apple expanded beyond its Macintosh line of personal computers with the iPod in 2001, iPhone in 2007 and iPad this year.

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