

## **Report: Apple cutting orders for iPhone 5 parts**

The Associated Press

Apple shares fell in premarket trading Monday after The Wall Street Journal reported that the company has cut its orders for iPhone 5 components due to weaker than expected demand.

The newspaper said two people it did not identify by name told it that Apple's first-quarter orders for iPhone 5 screens have dropped to about half of what the company had planned.

The report said one of the people told the newspaper that the U.S.-based company has also cut orders for other components. The Journal said it was told Apple notified the suppliers of the order cut last month.

Apple didn't immediately return an email seeking comment before business hours Monday.

The move is a sign that sales of the new iPhone haven't been as strong as previously expected and demand may be waning. It comes as the company has been facing increased competition from Samsung Electronics Co. and other makers of smartphones that run Google Inc.'s Android operating system.

South Korea's Samsung, which sells Android-based models at various price points, has already overtaken Apple as the world's largest smartphone vendor by market share.

Android devices accounted for 75 percent of smartphone shipments during the three months ending in September, up from 58 percent at the same time in 2011, according to the research firm IDC. The iPhone's share stood at 15 percent in September, up from 14 percent in the previous year.

Google says more than 500 million Android devices have been activated since the software's release four years ago. By comparison, Apple had sold about 271 million iPhones through last September.

Apple Inc. shares dropped \$17.45, or 3.4 percent, to \$502.85 in premarket trading Monday.

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