

HD Newest iPhones Hit the Market -- 2nd Update**BY** By Daniel Stacey and Ross Kelly**WC** 1,784 words**PD** 19 September 2014**ET** 21:42**SN** Dow Jones Institutional News**SC** DJDN**LA** English**CY** Copyright © 2014, Dow Jones & Company, Inc.**LP**

SYDNEY-- Apple Inc. began sales of its newest iPhones Friday with consumers in Australia becoming the first globally to get their hands on them.

With the appeal of a bigger screen, veterans of prior launches said the queues were the longest outside Sydney's Apple store, highlighting strong initial demand.

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"Apple customers wanted bigger screens and now they have finally done it, " said Shane Gray, who had lined up for 15 hours on the sidewalk with his wife and young son.

"You don't have to pinch and zoom with emails and Web pages."

Mr. Gray, who had made a similar pilgrimage to the city-center store from southwest Sydney for the past five iPhone launches, said he had been flirting with the idea of switching smartphones after becoming frustrated with Apple's reluctance to provide a bigger screen.

Apple's 4.7-inch iPhone 6 and 5.5-inch iPhone 6 Plus are bigger than the current four-inch display of the iPhone 5S. They will compete with makers of Android phones, such as Samsung Electronics Co. whose flagship Galaxy S5 has a 5.1-inch screen.

The screen upgrade, along with better battery life, a faster processor, and an improved camera, is expected to drive strong demand for the new phones. In an interview last week, Apple Chief Executive Tim Cook said he expects the "mother of all upgrades" from consumers rushing to snap up the new iPhones.

Mr. Gray and his family were among 1,300 people Apple staff estimated were waiting in line and that they estimated to be the largest since the store opened six years ago. Inside the store, around 200 Apple staff dressed in blue T-shirts and jeans on the balcony clapped as the clock ticked down for the first iPhones to go on **sale**.

First in line was 22-year-old Salvatore Gerace, who works for social commerce platform Alplatise and wanted to snap up the first pair of iPhones as part of a publicity stunt. Mr. Gerace and colleagues had worked in rotating shifts over 10 days to maintain their place at the head of the line.

"We're here to give away the first two iPhones we get in the world for free," he said.

Record numbers showed up on Friday morning at Apple's flagship store in Paris.

Around 600 people queued up for the kickoff of iPhone 6 sales, around 150 more than during the last **sale**, according to police officers.

But a different crowd this year appeared to be present in even larger numbers than last year: People who are buying the new iPhone to make money.

A group of 20 to 30 Chechens gathered by the Apple store's exit, waiting to collect iPhones they paid others to **purchase** for them as one person is only allowed to buy two at a time.

"I hope to get around 30 iPhones together by the end of the day," said one of the young men, who declined to say his name. He organizes the transport of the phones to Moscow, where they will be sold for sometimes almost double the price, he said.

Mehdi Boubouch, a young Tunisian phone wholesaler from Tunis, is also here for business.

"The first one I buy for myself but it serves my business," said Mr. Boubouch. Over the next few weeks, before the new iPhone officially becomes available in Tunisia, Mr. Boubouch hopes to make several return trips to Paris to bring over new phones for clients. "It frustrates me that I can't buy more than two though," he said.

Elsewhere, outside the Apple store in Frankfurt, a crowd of more than 200 people were waiting for the doors to open Friday morning, some of whom had camped out overnight.

Ulrich Zinn, 60 years old, who works in the banking industry sat on a stool and was waiting in line since 6.15 in the morning.

"I have the iPhone 5, but now I want to have the new technology. I like that there is a fingerprint lock as it is more secure than the code. It's nice that it is slightly bigger, I find that more comfortable to use. I don't need it today, I just wanted to be there as I've always heard about these long lines and just wanted to take part."

Earlier this week, Apple said it received more than four **million** orders for its two new iPhones in the first 24 hours after it started accepting preorders on Sept. 12--more than it had set aside for preorders.

Apple's main manufacturing supplier, Hon Hai Precision Industry Co., has employed more than 200,000 people on about 100 production lines exclusively for the new iPhones around the clock at a **Chinese** manufacturing site, according to people familiar with the matter.

With its larger phones, Apple is hoping to attract and retain high-end consumers, who are favoring larger displays.

Research **firm** Canalys says that in recent months, nearly all smartphones selling for more than \$400 and running on Google Inc.'s Android operating system come equipped with a display larger than 5 inches.

Apple has raised the base price for its most-expensive model by \$100. The iPhone 6 starts at \$649 without contract--the same price that Apple charged for the iPhone 5S when it introduced that phone a year ago. For the larger iPhone 6 Plus, Apple is charging \$749 without contract, making it the most expensive iPhone that the **company** has ever sold.

The higher price hasn't done much to diminish demand. The waiting time for the iPhone 6 Plus is longer, at three-to-four weeks, while customers can get an iPhone 6 within seven to 10 business days, according to the **company's** online store in the U.S. Apple said it has set aside supplies for customers purchasing the phones in stores on Friday.

One worrying sign, however, for the new iPhones is that Apple hasn't announced a launch date for the **Chinese** market. Last year, Apple introduced its new iPhones in the **Chinese** market at the same time that it launched globally. The **Chinese** government hasn't approved the phones for **sale** yet, but it wasn't immediately clear the real reason for the holdup.

Angela Ahrendts, Apple's senior vice president of retail and online stores, welcomed the first customers into the **company's** flagship Australian store on George Street in Sydney. The former chief executive of luxury products maker Burberry Group PLC had traveled Down Under from Apple's headquarters in Cupertino, Calif.

David Rahimi and his girlfriend, Jasmine Juan, were the first to exit the store clutching new iPhones. The couple had traveled from Orange County, Calif., after becoming part of a small group of Apple customers able to reserve the new phones online.

Mr. Rahimi, who reviews cellphones for PhoneBuff.com in his role as editor in chief, bought the 5.5-inch iPhone 6 Plus for himself while Ms. Juan bought the 4.7 inch iPhone. The couple also bought two more 4.7 inch phones.

"Finally Apple has a bigger screen," Mr. Rahimi said. "It's something I have been looking forward to."

Mr. Rahimi typically uses Samsung's Galaxy Note, but said the 5.5-inch iPhone 6 Plus will likely become his primary phone now.

Meanwhile, Apple stores in Japan opened two hours earlier than usual at 8 a.m. on Friday, with employees cheering and exchanging high-fives with the first customers that entered the store. There were at least 1,000 people forming a line at the store in Tokyo, with dozens of media covering the launch. Apple Japan didn't make public how many of the new iPhones they had in stock, but said there should be enough for those in line in the morning.

"It's much thinner and lighter than I expected," Yuki Manno, one of the first people to buy the new gold iPhone 6 from the Apple Store Omotesando, said.

Apple's delayed iPhone launch in China has been a boon for Hong Kong's gray market.

Thanks to the strong demand from Chinese customers, the price premium for the 128-gigabyte version of the gold iPhone 6 Plus has jumped to more than \$1,000, according to the phone retailers in Mongkok, a bustling neighborhood that is well-known to anyone shopping for unlocked iPhones and other gray-market electronics.

In London, at the Apple store in Covent Garden, Apple employees handed out steaming-hot Starbucks coffee to customers who had been camped out all night.

Employees in blue T-shirts lined up inside the store, clapping and counting down to the 8 a.m. opening.

Øyvind Østmo, 34, from Norway, said he had been waiting since noon the previous day with others who work at tech companies. "We need to get the latest," he said.

Outside the flagship Apple store on London's Regent Street, campers braved a torrential overnight thunderstorm to be in prime spots. A full 12 hours before doors opened at 8 a.m., a queue of tents, sleeping bags and chairs snaked around the block, leaving streets trash-strewn.

Still, other news events made the wait more muted than in recent years, said British iPhone fan Billy, 27, who was near the head of the line.

"There is no press here, I think because the whole Scotland thing kicked off," he said, referring to the Scottish independence vote.

Amir, 21, from Luton, north of London, added that Apple's online reservation system for launch day, also used this year, meant an easier experience for some followers. The camping line and reservation queue operated side by side.

"I got here [an hour ago]. It is calmer than usual," he joked, even though he admitted there was still a "buzz" to reserve a device online in the few minutes before places ran out.

Rival consumer companies ambushed the event.

The drinks company Innocent handed out juice bottles, aping Apple's marketing with a slogan touting the "latest in apple technology."

Hutchison Whampoa Ltd.'s telecom operator Three gave out bacon wraps, and a mobile-gaming company dispensed coffee to the thirsty hordes.

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