Southern Maryland
Mac User Group

20058-D Point Lookout Road
Great Mills, Maryland 20634
Meetings second
Monday of the month from 7pm to 9pm
at the SMARTCO warehouse.

July 2004

Tuesday - June 22, 2004

iBook repair program updated

By Macworld staff

Apple has again updated its iBook Logic Board Repair Program.

The programme now includes all iBook models manufactured between May 2001 and October 2003. When the program started in January it included iBooks manufactured between May 2002 and April 2003, and in April was expanded to include models manufactured between May 2002 and October 2003.

The program covers repair or replacement of the logicboard in iBooks experiencing specific component failures.

Apple lists potential results of component failure as being: "Scrambled or distorted video; appearance of unexpected lines on the screen; intermittent video image; video freeze; and computer starts up to blank screen."

Models with the following serial numbers can take advantage of the program: UV117XXXXXX to UV342XXXXXX.

Apple confirms new iMacs are coming in September

News Story by Peter Cohen

JULY 02, 2004 **(MACCENTRAL)** - Apple Computer Inc. yesterday confirmed that a new iMac is on the way but stopped short of providing any details about the new system. The company's online store has stopped accepting orders for the current flat-panel models, but Apple doesn't plan to have a replacement ready until September -- the victim of "less than perfect" planning, by its own admission.

"Apple has stopped taking orders for the current iMac as we begin the transition from the current iMac line to an all-new iMac line which will be announced and available in September," according to a **statement** posted to the U.S. Apple Store Web site. "We planned to have our next generation iMac ready by the time the inventory of current iMacs runs out in the next few weeks, but our planning was obviously less than perfect. We apologize for any inconvenience to our customers."

Apple's iMac line is positioned as the company's midrange desktop computer system, in between its eMac and Power Mac G5 models. Based around PowerPC G4 processors running at speeds from 1 to 1.25 GHz, the line includes flat-panel displays of sizes ranging from 15 to 20 in. and includes FireWire 400 and USB 2.0 interfaces, 80GB hard drive, DVD-ROM/CD-RW "Combo" drives or 4x DVD-R "SuperDrives," and Nvidia-powered 3D graphics.

Apple has incrementally improved the iMac line with CPU speed increases and other enhancements since the 15-in. model's introduction at Macworld Conference & Expo two and half years ago, but the company readily admits in recent Securities and Exchange Commission filings that demand for the iMac has declined partly because of its aging form factor.

The lack of an iMac-related announcement has been cited by some industry experts and analysts as the reason for a stock price dip earlier this week following Apple CEO Steve Jobs' keynote address to attendees of Apple's annual Worldwide Developers Conference. At the event, Jobs introduced new flat-panel monitors aimed at Mac-using professionals and offered the first public details of Apple's forthcoming Mac OS X v10.4 "Tiger" operating system, which isn't due to be released until the first half of 2005.

Analysts weigh in on Apple iMac shortage

News Story by Jim Dalrymple

JULY 07, 2004 **(MACCENTRAL)** - While a new iMac has been expected for some time, Cupertino, Calif.-based Apple Computer Inc. surprised many industry watchers when it announced late last week a shortage of iMacs forced the company to stop taking orders for the product. Apple called the iMac shortage "less than perfect" planning as it waits for the next generation of consumer desktops to hit the market **(see story).**

Industry analysts see the shortage as a significant problem for the company, but one Apple can recover from if the new iMac follows Apple's tradition of blockbuster releases.

"It's pretty significant when you consider the iMac's lagging sales over the past year," said Technology Business Research Analyst Tim Deal. "IMac/eMac sales have dropped from 17% -- 33% year-over-year each quarter this year. Apple needs to reinvigorate the iMac line with features and price points that will resuscitate its dismal sales figures -- and the sooner the better."

With the new iMac not scheduled for release until September, Apple will miss out on desktop sales they normally receive during the back to school shopping season. Most institutional purchasing for the 2004/2005 school year has already been completed, but analysts see the back-to-school season as an important period for Apple to reach out to consumers.

"Clearly this is an important season for them with education being such an important part of their market," said Ross Rubin, Director Industry Analysis, NPD Techworld. "It's incumbent upon them to have something for the students, faculty and staff during that time. Apple is trying to win market share in education, but it's going to be hard for them to do that without having product for students to purchase."

The lack of iMac sales may not be as hard on Apple as it once was, as notebook sales continue to be strong. The company's consumer iBook notebook or even its higher-end PowerBook could be the beneficiary of lost iMac sales. Even with that, the iMac is an important part of Apple's overall marketing message to consumers.

"We're definitely seeing more of the market move to notebooks and more of Apple's computer revenue is attributed to notebooks," said Rubin. "That said, desktops are still very important, particularly in the home -- you can't have a digital hub strategy without a digital hub."

For the second fiscal quarter of 2004 Apple sold 217,000 iMacs and eMacs totaling approximately $252 million in revenue -- a decrease of 15% year-to-year. However, in the same quarter Apple sold 201,000 iBooks worth about $223 million in revenue, up 51% year-over-year. While the trend is certainly moving toward notebooks, recent expectations for a new iMac may have also contributed to slower than normal sales.

"Customer anticipation for an iMac product refresh made the existing model a lame-duck product anyway," said Deal. "It will be difficult for the company to recoup those losses in the next quarter."

Even though Apple will be without an iMac for two months plus, analysts are unanimous in their opinions on how important the next generation machine will be for the company.

"If they release a superstar product in September I think it would go a long way toward overcoming the lateness," said Rubin. "Certainly, the track record shows that the new iMac designs tend to do very well out of the gate."

Apple introduced the first 15-inch flat panel iMac to rave reviews in January 2002, but the company was unable to capitalize on the early demand because of component issues. There have been other such delays with other products since; a problem analysts insist cannot happen to the upcoming iMac introduction.

"Apple has a long history of missing planned product release dates, usually as a result of its inability to secure key components," said Deal. "It is possible that Apple plans to release iMacs with G5 processors in September, and IBM (Corp.) was unable to meet Apple's heightened PowerPC G5 processor demand in the wake of the all-dual processor Power Mac introduction. It is unfathomable that a company would plan so poorly."

Looking beyond the September introduction of the iMac, NPD's Ross Rubin sees the holiday season as the next big buying period that Apple has to plan its supply channel for.

"As long as they have a good supply toward the holiday season -- and it sounds like there will be enough leeway in the channel -- that is more important strategically for a desktop computer," said Rubin.

Despite the financial hit that Apple will take in lost sales over the next two months, Deal never counts Apple out.

"I believe Apple has some real opportunity in the lower-end desktop market, if it can combine competitive prices with its trademark design superiority," said Deal. "Over the years, I have learned to never underestimate Apple's ability to turn poor sales around on the wings of one innovative product launch."

Growing Mac market needs "bolder plan"
Thursday - July 08, 2004

By Macworld staff

An industry expert is offering Apple CEO Steve Jobs advise on how to grow the Mac market.

BusinessWeek's Alex Salkever outlines a six-step plan that he suggests Apple should follow if it wants to increase its market share. He warns: "iPods alone won't turn around sales in desktops and laptops. It's time for a bolder plan."

His first suggestion is that Apple should drop the price of its computers. "The PC market's benchmark price level is sinking quickly below the $1,000 mark. Even laptops are moving down into a similar range."

Salkever does not think that the success of the iPod is proof that Apple can sell nice designs at a premium. He tells Jobs: "You say the iPod, priced from $250 to nearly $500, proves that Apple can charge a premium for superior design. I disagree. What makes the iPod so hot in the consumer market is superior technology – the first workable user interface on a digital music player. That's the reason why the premium has stuck, not the nifty form factor or funky colours."

His next hint is that Apple should offer "terrific product designs at budget prices". He says: "We're in the era of cheap chic, Steve. Give us a really cheap, really cool PC, and watch them fly off the shelves."

The third point in Salkever's plan is that Apple should "ditch the all-in-one mantra". He suggests that consumer interest in computers with integrated monitors never took off and suggests Apple offer "a headless Mac at a decent price with all your nifty iLife software installed," then, he says, "the masses will at least give you a closer look."

The next suggestion is that Apple could offer a $200 bounty on a PC exchanged for a new iMac or iBook. "Think of the news coverage such an offer might generate. You can't pay for that kind of buzz," says Salkever.

Similarly Salkever suggests a try-before-you-buy program. He tells jobs: "Show her how much confidence you have in your products. And aren't they way better looking than a Dell? Everyone already knows what a Mac is, as evidenced by Apple's consistently sky-high brand-recognition ratings. Take it to the next level."

His final piece of advice is that Apple should create an advertising campaign based on the fact that Macs remain largely virus-free.

Tuesday - June 22, 2004
Pittsburgh ponders school-Mac deal

By Macworld staff

Pittsburgh's Quaker Valley school district will vote tonight to decide whether to agree a $3.1 million Mac lease agreement with Apple, a local report states.

Quaker Valley was selected as one of Pittsburgh's three digital school districts three years ago, and has been providing students with notebooks and wireless networks since.

"Tonight, the school board is scheduled to vote on a new, four-year computer lease with Apple – up to $3.1 million over four years – that would provide laptops only for students in the ninth through 12th grades to use at school and home", the report in the Pittsburgh Post-Gazette explains.

Notebooks had been provided for students in grades three till twelve during the three-year test period.

"We think the laptops at the high school have been a wonderful tool," said school board vice president Nancy Chalfant-Walker, but added that they are not required at elementary schools and related mixed feelings at middle schools.

Education officials said that elementary students didn't take their Macs home very often, and said parents worried about what Web sites their charges then visited. Middle school kids often damaged or forgot their computers, but stressed that the facility "made a noticeable difference at high school".

Tuesday - June 22, 2004
US Army in Xserve supercomputer bid
By Macworld staff
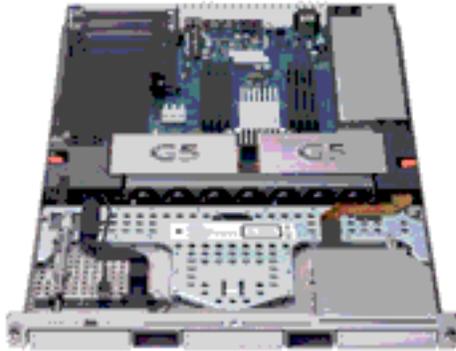
Apple has secured a massive installation of 1,566 Xserve G5s for use by the US military.

 COLSA Corporation yesterday announced the purchase of the dual processor Xserve G5s which it is going to use to build "a new supercomputer that is expected to be one of the fastest in the world." The machine will be called MACH 5 (Multiple Advanced Computers for Hypersonic).

 The move reflects that by Virginia Tech (System X), which built its affordable G5-based supercomputer last year, and confirms a series of rumours that have circulated about this project on the Internet.

 COLSA Corp said: "MACH 5 is a breakthrough in price performance for high performance computing. It is expected to deliver a peak performance capability of more than 25TFlops/second at a cost of $5.8 million and will be used to model the complex aero-thermodynamics of hypersonic flight for the US Army."

 Company executive vice president Dr Anthony DiRienzo said: "We expect MACH 5 to rank as one of the most powerful supercomputers on the

planet. According to the November 2003 Top 500 supercomputer list, it would rank second only to Japan's $350 million Earth Simulator computer at less than two per cent of the cost. We evaluated PC-based proposals from other vendors but none came close to delivering either the price, performance or manageability of the Apple Xserve G5."

 Apple senior vice president of worldwide product marketing Phil Schiller said: "Apple is honoured that COLSA chose the Xserve G5 to build its supercomputer cluster.

 "The ground breaking 64-bit performance and incredible I/O capabilities of the Xserve G5, combined with the reliability and scalability of our Unix-based Mac OS X Server software deliver high-performance computing solutions perfect for anyone looking to cluster from two to thousands of nodes, at an unbeatable price," he said.

 Alex Grossman, director of server and storage hardware at Apple, said: "We have a lot more customers to come that will be on the Top 500 list."

 These successes are attributable to Apple's decision to use PowerPC 970 processors, Illuminata analyst Gordon Haff told Cnet: "The software and management features of Mac OS X are factors, but certainly performance of the processor is an enormous factor. The PowerPC is a fast processor."

 The Xserve G5 supercluster system is expected to be online and working for the Aviation and Missile Research, Development and Engineering Center (AMRDEC) division of the US Army Research and Development Command by late autumn.

 The new centre will be used by both the US Army and NASA in research and development.

Monday - July 05, 2004
US Army Xserve move 'just the beginning'
By Macworld staff

 Apple's server products continue to attract attention from non-traditional Mac markets, with US Federal Computer Weekly (FCW) observing that the US Army's move to use Xserve G5s "could open new doors for the company".

 Colsa recently announced plans to deploy 1,566 Xserve G5s for an army supercomputer project intended to model the complex aerothermodynamics of hypersonic flight. This installation is called Multiple Advanced Computers for Hypersonic research, or Mach 5.

 Illuminata senior analyst Gordon Haff told FCW: "Apple has decided to get fairly serious with servers. Xserve is a serious product line for Apple. They've bough in people with real server expertise."

 Apple's high-end computing move is also boosted by its adoption of a standards-based OS with a Unix base (Mac OS X); its choice of processors, and its provision of powerful development tools and features that make today's Mac easier to integrate within multi-platfom networks.

Colsa executive vice president Anthony DiRenzo chose Apple's systems for the project for another reason – the system's low power consumption: "We put these clusters into production for a user who uses it all day and all night. This thing needs to be up, it needs to be stable, it needs to be online," he said.

 Apple director of server and storage hardware Alex Grossman said: "We anticipate a number of large clusters to be built."

 Reports from the company's WWDC event last week claim that Mac-based supercomputer clusters are achieving excellent market traction. Apple told delegates at the conference that an impressive 40 per cent of Xserve sales are destined for use in such clusters – particularly in universities.

WWDC: Apple previews Mac OS X 'Tiger,' Tiger Server

News Story by Peter Cohen

 JUNE 28, 2004 (MACCENTRAL) - Apple is giving attendees of this week's Worldwide Developers Conference (WWDC) 2004 in San Francisco, Calif. a first look at the next major revision to Mac OS X v10.4, known by its code-name "Tiger." Version 10.4 is the forthcoming release of the company's operating system that is expected to be released some time in the first half of 2005, and it touts more than 150 new features, according to Apple CEO Steve Jobs.

 He officially took the wraps off the software at a keynote address on this morning.

 Major new features expected to draw the interest of consumers include a new search technology called Spotlight, that enables users to search for any file, document or information their Mac contains. The software has been modeled to work like the search capabilities of Apple's popular iTunes music software application, and can find e-mails, presentations, images, appointments, Microsoft Office documents and more, arranging its search results by kind, time or people.

 What's more, Spotlight enables users to create "Smart Folders," "Smart Playlists," "Smart Mailboxes" and "Smart Groups" that work in the Finder and individual applications to automatically keep content organized and updated.

 Safari, Apple's popular standards-based Web browser for Mac OS X, will feature integrated support for RDF Site Summary, or RSS -- an increasingly popular method of finding updated content on Web sites. Safari can operate as a full-featured RSS reader, and Mac users will be able to create their own news clippings service using the feature.

Also new to Tiger is Dashboard, an interface for "Widgets," or specialized applications. The technology is based on Mac OS X v10.3's Exposé feature, and provides ways for users to more conveniently access information like stock quotes, calendar information, calculators, Webcam interfaces and more. Tiger will include several widgets and will also be exposed to developers through the release of a Software Development Kit (SDK).

iChat, Apple's popular text, audio and video messaging service, will also get an overhaul in Tiger with the introduction of support for H.264, a new video codec that scales from 3G "smartphones" to HD-quality video. The new version of iChat will also sport the ability for up to three people to simultaneously video-chat with one another, or 10 people to audio-chat.

Other new features coming to Tiger will include Core Image and Core Video, a new foundation technology for image and video processing applications modeled after the Core Audio technology Apple leverages with pro audio applications. QuickTime, Apple's popular multimedia playback and editing technology, will gain support for H.264 video in Tiger as well. Automator is a new visual application coming to Tiger that enables users to automate repetitive tasks without needing to write scripts.

.Mac data synchronization gets an upgrade with Tiger, too -- the software uses an entirely new engine, according to Apple, that lets .Mac users sync contacts, bookmarks, e-mail preferences and calendars across multiple machines.

Under the hood, Mac OS X v10.4 gets an overhauled UNIX kernel with improved Symmetric Multi-Processing (SMP) scalability to run more efficiently on multi-processor machines; also integrated is Xgrid, Apple's grid computing technology. 64-bit virtual memory support has been added, also. Windows compatibility has been improved with the ability to access Windows-based home directories and authenticate against Microsoft's Active Directory technology.

Apple said that Mac OS X v10.4 "Tiger" will hit stores in the first half of 2005, but did not offer a more precise timeframe than that. The software retains Panther's price, however -- it will cost US$129.

Tiger Server

Mac OS X Server v10.4, or Tiger Server, will also get major new features in this release above and beyond the client version. Tiger Server adds the ability to publish Weblogs (or blogs) by checking a box in Server Admin preferences using a system based on the open source project "Blojsom." A new iChat server is available for private intranet communications, with the ability for organizations to define their own namespace, deploy SSL/TSL encryption and Kerberos-based authentication.

Tiger Server will also gain Windows server migration tools to help admins move user and group account information from Windows Primary Domain Controllers into Open Directory; the Tiger Server can then take over as the Primary Domain Controller for Windows clients and can host Windows users' home directories and

other content.

 Other new features will include Mobile Home Directories -- centrally stored directories available for users on the road or in the office; a Software Update Server; Access Control Lists; an Internet Gateway Setup Assistant to simplify the process of small businesses and home office users connecting to network services; and Xgrid 1.0, Apple's grid computing software for scientists and researchers.

 Look for Tiger Server to be released in the first half of 2005 for $499 for a 10-client version and $999 for an unlimited client version. Current Apple Maintenance Program subscribers will be eligible to receive Tiger Server as part of their service agreement, at the time of release.

Don't miss next months meeting (August 9th) as we celebrate our first year as a group!! ☺