Apple Sells 9 Million iPhones Over Launch Weekend

By NATHALIE TADENA

Apple Inc. sold a record nine million of its latest iPhones in their first three days in stores and said the company's quarterly revenue and margins should be near the high end of its previous forecast.

In July, Apple had projected revenue for its fiscal fourth quarter between $34 billion and $37 billion and gross margin between 36% to 37%. Analysts, on average, were expecting revenue of $36.1 billion and gross margin of 36.7%, according to Thomson Reuters.

Apple said it sold out of its initial supplies of the more expensive model. The company declined to say when more may be available, other than to note that stores continue to receive new iPhone shipments regularly.

"The demand for the new iPhones has been incredible," Chief Executive Tim Cook said in a statement.

The company didn't break out the sales by model.

The nine million iPhones sold this weekend were more than the five million to six million that many
Apple launched two new iPhones, the 5S and the 5C, on Friday. WSJ's Monika Vosough checked in with people at an Apple store in San Francisco to see how they reacted to the new devices.

Apple added that more than 200 million iOS devices are now running on its new iOS7 system, the fastest software upgrade in history. iOS7 is the first major design overhaul of the mobile operating system Apple first introduced in 2007 that gave rise to the booming apps economy.

Apple two weeks ago unveiled two new iPhone models but didn't stray far from its traditional form factors and pricing. The new flagship iPhone 5S includes a faster processor, a better camera and a new fingerprint scanner. A second, less expensive model called the iPhone 5C repackages much of the technology from last year's device in a new colorful plastic case.

The Wall Street Journal reported last week that demand for the gold 5S was so strong in China and Hong Kong that Apple already has asked its suppliers to increase production of that model, citing people familiar with the matter.

As the world-wide market for smartphones has increased, Apple has lost market share, particularly outside the U.S. and among first-time smartphone buyers. On the low end, competitors have been able to come in far below Apple's prices. On the high end, rival Samsung Electronics Co. has attracted customers with varied screen sizes and increasingly more impressive features, such as a pen to draw notes, and more advanced camera systems.