

TABLE 2 ESTIMATES OF INITIAL AND THREE-YEAR-LATER XBOX 360 BILL-OF-MATERIALS COSTS

Xbox 360	Component	Estimated cost at launch	Estimated cost after three years
CPU	IBM PPC	\$100	\$35
GPU	ATI GPU	\$100	\$30
Optical media	DVD-ROM	\$25	\$10
Memory	512-Mbyte GDDR3	\$50	\$25
Hard-disk drive	Detachable 20-Gbyte hard-disk drive	\$25	\$15
USB	Three ports	\$5	\$3
Ethernet	Ethernet	\$5	\$4
Wireless controller transceiver	Proprietary 2.4 GHz	\$5	\$3
Controllers	As many as four wireless	NA	NA
Other	Analog IC, ASICs, I/O	\$25	\$20
Total		\$340	\$145