

Exhibit 16

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Bits

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Live Blogging the iPad Product Announcement

By **BRAD STONE**

Jim Wilson/The New York Times Apple's chief executive, Steven Jobs, unveils the iPad.

Over and Out

Update | 3:15 p.m. We're done with the live blog. Check back on Bits later for our impressions after touching the iPad, as well as more analysis of its implications. You can also read our [article](#) about the Apple presentation as well as David Pogue's [first impressions](#).

What's Missing

Update | 2:45 p.m. Expectations were very high for this device. Some missing features that many people were expecting:

- Ability to play Adobe Flash animations, widely used on the Web.
- Camera, still or video
- Non-Internet phone function
- Unclear whether you can bundle your [AT&T](#) iPhone plan with an iPad data plan
- Removable battery for a device that can suck a lot of power
- Removable storage

David Carr: 'The Soul of the New Machine'

Update | 2:40 p.m. *From my colleague David Carr:*

Over and over, the meme is, "Hold the Internet in your hands." It's a seductive idea, and the promise it contains will be a nice way to draw people in. The video right now is getting into hardware, letting you see into the soul of the new machine. The guts of it are meant to render the gadget invisible, making it a frame around hardware and apps.

Mr. Jobs' Conclusion: It's 'Magical'

Update | 2:32 p.m. After a promotional video, Mr. Jobs is ready to sum things up.

"Do we have what it takes to establish a third category of products?" he says. "The bar is pretty high. It has to be far better at doing some key things. We think we have the goods."

More than 75 million people already know how to use the iPad, Mr. Jobs says —these are the owners of iPhones and iPod Touches. And there are more than 125 million customer accounts with credit cards, all enabled for one-click shopping on iTunes, the App Store and the new iBook store. "We are at scale, and we are ready for the iPad," Mr. Jobs says.

Mr. Jobs' summation: "Our most advanced technology in a magical and revolutionary device at an unbelievable price." Leave no hyperbole behind, apparently.

We are off to play with this thing in the demo room next door. Stay tuned.

David F. Gallagher/The New York Times Accessories for the iPad include a keyboard dock.

Accessories

Update | 2:25 p.m. Mr. Jobs is talking about accessories.

There's a dock, of course, to let you turn the iPad into a nice picture frame or video viewer.

There's also a physical keyboard dock —it charges the iPad and also makes it more functional for typing. "Just keep one of these in your den, and when you have to write 'War and Peace,' just plug your iPad into it," Mr. Jobs says.

Available in 60 Days

Update | 2:25 p.m. The first iPads will ship in 60 days, with 3G models taking another month.

Price Ranges From \$499 to \$829

Update | 2:20 p.m. And now: price.

"When we set out to develop the iPad, we not only had specific technical goals and user interface goals, but an aggressive price goal, because we want to put this in the hands of a lot of people," Mr. Jobs says.

Mr. Jobs says [Apple](#) has met its cost goals: the iPad's pricing starts at \$499. (Which means, at the very least, there is little reason to buy the much more limited Kindle DX from [Amazon](#).)

For \$499, you get 16 GB of storage, with Wi-Fi built-in. For \$599, you get 32 GB of storage. For \$699, you get 64 GB of storage.

The 3G models cost an extra \$130 each.

So all told, there are six models of the new iPad. The most expensive 64-GB model, with 3G, costs \$829 plus the monthly charge.

Jim Wilson/The New York Times

3G Connectivity for a Price

Update | 2:16 p.m. There will be models with 3G wireless connectivity.

There will be two 3G plans for iPad owners. The first one, for up to 250 MB of data a month, will cost \$14.99 a month. For unlimited data, it's \$29.99 a month.

"We have a breakthrough deal with AT&T, who is providing the service," Mr. Jobs says. No [Verizon Wireless](#), it appears.

He says iPad owners will also get free access to AT&T hot spots. Let's all hope that AT&T solves its network issues before this thing hits it.

No contract —you can cancel the plan anytime you want.

International wireless deals will be coming by June. All the iPad 3G models are unlocked, and use the new GSM micro-SIMs, so it will be easy to put iPads on those networks.

David F. Gallagher/The New York Times Phil Schiller demonstrates Keynote, a PowerPoint-like app that will run on the iPad.

The iWork suite

Update | 2:14 p.m. Now Mr. Jobs is talking about iWork on the iPad, and Phil Schiller, Apple's chief marketing executive, is on stage to talk about it.

There's a new version of Keynote, Apple's presentation software, and Pages, its word processor, and Numbers, its spreadsheet creator, all tailored to a gesture-based input device. All of Apple's productivity software looks workable on the iPad — I'm just not sure why people would want to do this kind of work on a keyboard-less device.

The iBooks App

Update | 2:02 p.m. Mr. Jobs has put a Kindle on the stage and says Amazon has done a great job of pioneering that. "But we are going to stand on their shoulders and go a bit farther."

David F. Gallagher/The New York Times The iBooks bookstore

He's showing a new app, called iBooks.

This is significant for the publishing industry: Apple is going to try to control the e-book experience itself. A new iBooks store is integrated with the iBooks app, allowing people to discover and purchase.

Five of the largest publishers — Penguin, HarperCollins, Simon & Schuster, Macmillan and Hachette — are supporting the app. No mention of [Random House](#), yet. But that's probably just a matter of time.

The iBooks store looks neat — plenty of colors, vivid book covers. Mr. Jobs is showing "True Compass" by Edward Kennedy, a book that was not available in the Kindle store for weeks after its release.

Changing pages, zooming to the table of contents, color, video, is very easy, Mr. Jobs says.

Needless to say, Apple and Amazon are on a collision course. Media (books, music, video) constitute half of Amazon's revenues, and it won't go down without a fight.

Apple uses the ePub format, the most popular open book format in the world. It's unclear what digital rights management it is using and whether these books will be transferable to other devices that support ePub, like the e-readers from [Barnes & Noble](#) and [Sony](#).

A Few Observations from David Carr

Update | 1:58 p.m. *From my colleague David Carr:*

You get the feeling that the iPad is creating and killing categories at the same time. It is a remarkably ambitious project in terms of all the things — photos, games, video and e-mail — that it is trying to grab market share in.

One of the weird things about the presentation is how it is really all about the software. The gadget itself is transparent, a window into software. There is really only a single mechanical button on the device, the "on" button. The rest is all fingers interacting directly with software.

The scaling of the landscape has significant implications. Seems like it is living up to the hype, or at least coming close.

“Isn’t this awesome?” Mr. Jobs says. It is, but everything looks good on stage. Nothing ages faster than the future when you get it in your hands.

David F. Gallagher/The New York Times A demo of the tablet version of the Brushes app.

Brushes App for Artists

Update | 1:57 p.m.

Brushes allows people to tinker with photos and illustrations, zoom in to images, change colors, add to images and make their own.

“Imagine an artist with a canvas this large,” says Mr. Forstall, retaking the stage and introducing the video game giant Electronic Arts.

The New York Times on the iPad

Update | 1:50 p.m. Next up: us, The New York Times. We’ll try not to be too self referential here. David F. Gallagher/The New York Times

Our colleague Martin Nisenholtz is taking the stage now. Three weeks ago, The Times came to Cupertino, Calif., to develop an application for the iPad, Mr. Nisenholtz says. “We want to create the best of print and best of digital, all rolled up into one,” he says.

“We think we captured the essence of reading a newspaper,” says Jennifer Brook, another Times colleague.

The app allows people to save articles to the device, resize text and change the number of columns, skim photos and play video. It appears to look quite a bit like the Times Reader application. “It’s everything you love about the paper, everything you love about the Web and everything you expect from The Times,” Ms. Brook says.

David F. Gallagher/The New York Times

Third-Party Apps

Update | 1:41 p.m. To talk about third-party software, Mr. Jobs introduces Scott Forstall, senior vice president. The iPad will run “virtually every one” of the apps for the iPhone “virtually unmodified,” he says.

The iPhone apps can run in a black box in the middle of the screen or, by doubling the pixels — and I presume losing some resolution — fill the screen.

Games are “incredibly smooth,” Mr. Forstall says, demonstrating that Mr. Jobs’ capacity for hyperbole is one of Apple’s cultural traits.

He also says developers can modify their apps to take advantage of the large touch-screen display, just as Apple did with its calendar, iTunes, e-mail and YouTube apps. The iPhone SDK, a set of programming tools for developers, will be enhanced to support development of the iPad, and the new SDK will be released today.

“We think it’s going to be a whole other gold rush for developers as they build apps for the iPad,” Mr. Forstall says.

Mark Hickey from Gameloft, a game developer, is now demonstrating Nova, the company’s shoot-’em-up, on the iPad.

10-Hour Battery Life

Update | 1:38 p.m. “We been able to achieve 10 hours of battery life,” Mr. Jobs says. “I can take a flight from San Francisco to Tokyo and watch video the whole way.”

He says the iPad also has more than a month of standby battery capacity. You can leave it alone, and find it still with some charge when you come back in a few weeks.

My colleague Mr. Carr notes that there’s a long history of power hyperbole in all categories of gadgets.

Kimberly White/Reuters

The Specifications

Update | 1:33 p.m.

And now we’re going to dive into the specifications. Half an inch thin. Weighs 1.5 pounds. 9.7-inch IPS display —super-high quality, great angle of views, Mr. Jobs says.

Full capacitive multitouch screen, same as the iPhone —“super responsive, super precise,” he says.

The iPad is powered by Apple’s own custom silicon, he says —a 1 GHz A4 chip, 16 GB of memory, 32 or 64 Gigabytes of storage.

There’s Wi-Fi, 802.11n, and the latest Bluetooth. (Apparently no 3G wireless, notes my colleague John Markoff.) Accelerometer, compass, speaker, microphone.

Video on the iPad

Update | 1:29 p.m. Mr. Jobs is demonstrating the movie “Star Trek” on the tablet. Jim Wilson/The New York Times Video on the Apple iPad.

I wonder, will people really want to hold this device, other than on an airplane, while they watch TV and movies? However, the tablet might be the perfect breakfast table companion. You can control it with one hand and don’t have to fiddle with a keyboard.

“Watching is nothing like getting one in your hands,” Mr. Jobs said.

My colleague David Carr notes that Mr. Jobs is doing little bit of crosspromotion, showing off the Pixar movie “Up.”

David F. Gallagher/The New York Times

Colors Are Crisp

Update | 1:23 p.m. Some early impressions from looking at the device on stage: it appears to have only one physical button, looks exceedingly light and thin, and the screen has great, crisp colors. Mr. Jobs is now demonstrating the device’s e-mail and photo capabilities.

Mr. Jobs is now demonstrating the music capabilities of the iPad. Album artwork displays along with songs. However, you ain't strapping this thing to your shorts as you work out.

As he demonstrates the tablet's calendar, I'm thinking that we have yet to see any significant differences between the iPad and the iPod Touch, other than its size.

Mr. Jobs is now showing the maps app. Apple is still using [Google Maps](#), Silicon Valley watchers. Maps includes a nice integration with Google Earth and Street View. So you can shift from a bird's-eye view of that sushi restaurant you are looking for to a crisp view of its front door.

Browsing the Web on the iPad!

Update | 1:16 p.m. Mr. Jobs is giving an overview: it's very thin, with customizable background images. "You can browse the Web with it. It's the best browsing experience you've ever had."

I'm cutting out all of Mr. Jobs's "phenomenals" and "amazings" and "incredibles," folks. Just assume they are there.

The iPad works in both landscape and portrait mode, like the iPhone. It has a virtual keyboard, access to photo collections, direct access to iTunes' surfeit of content.

"It's awesome to watch TV shows and movies," Mr. Jobs says. "It's so much more intimate than a laptop, and it's so much more capable than a smartphone with its gorgeous screen."

He's now displaying the New York Times site, [nytimes.com](#). If he shows the Bits blog, the space-time continuum may rip. Oh, jeez, he just showed the Technology page, which has Bits on it. I just saw my own name on the screen. Audience is chuckling as they see our tech headlines.

He's now going to [Time](#) magazine, thank God. "Did you see what's going on today?" he quips as the audience looks at Time's tech headlines. "A whole Web site in the palm of your hands."

David F. Gallagher/The New York Times

The New iPad Looks Like a Big iPhone

Update | 1:10 p.m. All of us use laptops and smartphones now. The question has arisen lately: is there room for a third category of device in the middle?

The new device will have to be far better than the laptop and smartphone at doing important things: browsing the Web, doing e-mail, enjoying and sharing photographs, watching videos, enjoying your music collection, playing games, reading e-books. Otherwise, "it has no reason for being."

Apple's answer: the iPad.

It looks like, well, a big iPhone, pretty much as anticipated.

Apple Is a Mobile Device Company

Update | 1:05 p.m. Mr. Jobs says there are 284 retail stores. At the online App Store, there are more than 140,000 applications, with a total of 3 billion downloads.

Apple is now a \$50-billion-a-year company, Mr. Jobs crows. The revenue comes from iPod, iPhone and of course Mac sales — a majority of which are laptops. All are mobile devices. "Apple is a mobile

devices company. This is what we do,” he says. He calls Apple the No. 1 mobile devices company in the world.

Now let’s get to the main event, he says.

David F. Gallagher/The New York Times

Steve Jobs Appears

Update | 1:03 p.m. Apple’s chief executive, Steven P. Jobs, has taken the stage. He looks disturbingly thin, much as as he did when he took the same stage in September to introduce new iPods. But there’s a sparkle in his eye and a smile on his face as he gets a big standing ovation.

“We want to kick off 2010 by introducing a truly magical and revolutionary product,” he says. But first, there are some updates: a few weeks ago Apple sold its 250 millionth iPod.

Justin Sullivan/Getty Images Workers apply the Apple logo to the exterior of the Yerba Buena Center in San Francisco.

The Event Begins

Update | 1:01 p.m. The lights are darkening here at the Yerba Buena Center for the Arts in San Francisco. The Wi-Fi is unstable, endangering the Tweeting and blogging of hundreds of journalists.

After remaining mum during more than two years of rumors and thousands of speculative articles and blog posts, [Apple](#) is finally ready to unveil its “latest creation” on Wednesday at the Yerba Buena Center for the Arts in San Francisco.

All signs point to the introduction of a tablet computer. Analysts and high-tech companies have long thought that such a device, at the right price and with the right technology and connections to content, could establish a new category of computing and change how people consume media. It could also bring further disruptive changes (some [positive](#)) to all sorts of industries. But tablets have [flopped](#) before. On Wednesday, we’ll see if the Apple tablet is a game-changer.

I’ll be chronicling the events here as they happen, with contributions from [John Markoff](#), veteran technology reporter, and [David Carr](#), the media columnist for The Times. We’d like to hear any and all questions from readers, and will try to answer them in our coverage.

Steve Jobs is expected on stage at 10 a.m. local time, 1 p.m. New York time, so watch this space for updates.