

# EXHIBIT 8

## Apple to rely on Samsung chips for iPhone, iPad into 2015

iPhone makes up about 60 percent of Apple's revenue. Though arch-rival Samsung's smartphone unit is struggling, it still wouldn't turn down providing its chips to Apple.



By [Zack Whittaker](#) for [Between the Lines](#) | January 26, 2015 -- 13:09 GMT (05:09 PST) | Topic: [Mobility](#)



*Apple's iPhone 6 and iPhone 6 Plus both run chips made by Samsung (Image: CNET)*

Samsung will continue to be Apple's supplier of processors for its iPhones smartphones and iPad tablets, according to sources within the chip-making industry.

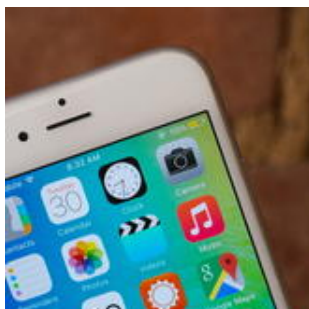
A report from one prominent South Korean newspaper, [via Reuters](#), said the rival electronics giant will be responsible for around 75 percent of the chip production of the next iPhone.

Samsung will reportedly make the chips from its factory in Austin, Texas, the report said.

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Financial terms for the arrangement were not disclosed.

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News first emerged about two years ago that Samsung would supply iPhone chips [for its upcoming A9 processor](#). The current iPhone 6 and iPhone 6 Plus come with the latest A8 chip, with an embedded motion-tracking microprocessor. The next iPhone is expected to be released later this September.

Over the years, Apple has pushed hard to decrease its reliance on third-party companies for its iPhone and iPad components. iPhone alone makes up [about 60 percent of the company's revenues](#).



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Though Apple relies on Samsung for its chips, the relationship has been fraught -- with Apple bringing a slew of litigation against the South Korean giant for alleged patent infringement.

As Samsung's contract to provide chips to Apple expires in 2014, the company was already preparing to [hike its chip prices by 20 percent](#) to its Cupertino, Calif.-based customer just months before securing the A9 chip contract, amid the height of its courtroom conflicts.

The question remains over which company is providing Apple with the remaining 25 percent of the chips -- which some have speculated could in fact be Apple itself.

There's been little as of late out of the "special projects" department run by former Apple hardware chief Bob Mansfield, who went on to retire but was brought back to head up the secretive division that reports directly to chief executive Tim Cook.

Mansfield is charged [with bringing the firm's semiconductor and chip-making efforts in-house](#), among other things. The company also in the past year and a half [hired former Samsung and AMD chip veteran](#) Jim Mergard, in an effort to bolster its internal chip-building division under Mansfield.

If Apple continues to rely on Samsung for its chip-making effort, that suggests Apple's own in-house chip-building work isn't going so well. Or, if the cost-benefit is that Samsung does a better job -- albeit for a profit -- so be it. But no doubt as tensions continue between the two companies, there remains a mutually-assured destruction policy. Samsung could drop its biggest rival in an icy lake for a massive profit dip, but the deal generates too much cash for the Korean giant to ignore.