



Xbox 360 vs Playstation 3: How-The-Components-Stack-Up

23 | Feb

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The optical drive:

For PS3, this is the killer. In 2006, manufacturers will have to pay \$200 to \$300 for Blu-ray drives, according to Wolfgang Schlichting, an analyst with IDC. By 2007, the price will drop to between \$100 and \$200. The Xbox has a standard DVD drive, with an HD-DVD drive.

Standard DVD drives sell for \$20 or less. Even recordable DVD drives at wholesale sell for a mere \$28 to \$32.

Graphics chip:

This looks like a tie. Microsoft worked with ATI Technologies to develop a chip that costs about \$141, according to iSuppli. Sony teamed with ATI rival Nvidia for its chip, which could cost \$120 to \$150, according to Dean McCarron at Mercury Research. Since the two chips are based on the high-end PC chips from the two companies, and since ATI and Nvidia are such fierce competitors, it's a safe bet that the two are roughly equal here.

Memory:

Looks like a tie, but Sony may take a slight hit here. The Xbox 360 will come with 512MB of GDDR (graphics double data rate memory, meant for handling graphics-intensive programs like games). The PS3 will come with 256MB of 700MHz GDDR 3 memory and 256MB of XDR memory. Bob Merritt of Semico Research says it's safe to assume that both types of memory will sell for a 100 percent premium over conventional DDR2 memory in 2006, dropping to a 50 percent premium the following year. A 256-megabit DDR2 chip sells for about \$2.46 on the wholesale market, he said, leading to a price of about \$79 for 512MB of GDDR (here's the math: $2.46 \times 2 \times 2 \times 8$. There are eight bits in a byte).

iSuppli and Merrill Lynch put the cost of memory at, respectively, \$65 and \$50. The average between the three is \$65. The only variable is that XDR may not decline in price as fast as GDDR, which is more widely used. The royalty Rambus charges is unknown.

In a twist, Samsung will make memory for both consoles.

Hard drive:

The \$399 version of the Xbox 360 comes with a detachable 20GB hard drive. Sony will include a detachable drive but hasn't set specifications. So again, it's a draw. On the wholesale market, the drives go for about \$40.

Everything else:

The power supply, the chassis, the wireless components--all of these parts will come from the same (or similarly situated) competitors in China and Taiwan and will cost the same. The "other" category

of parts comes to about \$165, according to iSuppli and \$100 according to Merrill Lynch. Let's average that out to \$130.

Total:

If you use the low-end figures for Cell (\$150) and the Blu-ray drive (\$200) the PS3 materials bill comes to \$700. The high estimate, including a \$230 chip and \$300 drive, comes to \$880. The average is \$790. The Xbox 360, meanwhile, comes in at \$476 through averaging prices from different analysts. A study from iSuppli puts the figure at \$525.

Source: news.com.com