

Amazon Kindle Fire sold out as new model expected

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Amazon.com Inc. says it has sold out of its Kindle Fire tablet computer amid expectations of a new model for the holiday season.

The retailer's website now directs customers to used Fires available from other merchants.

The Internet retailer has a major press conference scheduled for next Thursday in Santa Monica, California. It's widely expected to reveal a new model of the Fire there, so Thursday's announcement that the first model is "sold out" suggests that Amazon halted production a while ago to retool for a new model.

Amazon launched the \$199 tablet last November. It was the first Kindle with a color screen and the ability to run third-party applications, placing it in competition with Apple Inc.'s iPad, at half the price of the cheapest iPad.

Amazon doesn't say how many Fires it has sold, but says it captured 22 percent of U.S. tablet sales over nine months. That would make it the second-most popular tablet, after the iPad. Tom Mainelli at research firm IDC said that figure matches his estimate of 6.7 million Fires sold.

Separately, ABI Research said Thursday that sales of dedicated e-readers, like the non-Fire, black-and-white Kindles, peaked last year. It expects worldwide sales of e-readers at 11 million in 2012, down from 15 million in 2011.

The research firm expects tablets to outsell e-readers 9 to 1 this year, despite costing four or five times as much. Still, e-readers won't go away completely, ABI analyst Joshua Flood said.

"We believe there will always be a niche market for the dedicated reading device for voracious readers, business travelers, and educational segments, particularly ones that are low-priced," Flood said.

Amazon could update the rest of its Kindle line at next week's event, too. The current models were launched a year ago. In the intervening time, competitor Barnes & Noble Inc. has launched a Nook e-reader with a built-in screen illuminator for reading in the dark.

Amazon itself was the main outlet for the Kindle Fire. However, Staples stores recently sold it for \$179. It wasn't immediately known whether some stores still had it on shelves.

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Shares of Amazon, which is based in Seattle, fell \$1.57, or 0.6 percent, to \$245.55 in midday trading Thursday.

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