Amazon says Kindle Fire is sold out

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Amazon.com Inc. quenched the Kindle Fire on Thursday, saying its first tablet computer is now sold out.

The Internet retailer has a major press conference scheduled for next Thursday in Santa Monica, Calif. It's widely expected to reveal a new model of the Fire there.

Seattle-based 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. The newest iPad models start at $399.

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. Based on iPad sales reported by Apple, Fire sales can be estimated at somewhere around 5 million units.

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 nine to one this year, despite costing four or five time 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.

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