

Analysis says \$79 Kindle costs \$84 to make

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A recent analysis from IHS iSuppli determined that Amazon's \$79 Kindle e-reader, which is the online retailer's cheapest Kindle thus far, costs \$84.25 to make.

In the report, [iSuppli](#) said the total cost of materials for the Kindle is \$78.59, including \$30.50 for the e-reader's 6-inch E-ink display. The [market researcher](#) estimates manufacturing costs run \$5.66 per device.

IHS iSuppli notes that these costs don't include any of Amazon.com Inc.'s development costs for the Kindle, or costs related to things such as shipping and distribution of the device.

Even if Amazon pays more to build the \$79 Kindle than it sells it for, the company has several other ways to bring in money from the device. This Kindle model includes ads that show up as screensavers and at the bottom of the device's home screen. And Amazon sees all the devices in the Kindle family - and the free Kindle apps it offers for [mobile devices](#) and computers - as a way to spur more sales of its digital e-books, music, games and apps.

Amazon has repeatedly lowered the price of the Kindle and added more devices to the Kindle lineup since it began selling the first one in late 2007 for \$399. The \$79 version, which the Seattle-based company started selling in late September, eschews the keyboard found on earlier Kindle models. Amazon will begin shipping touch-screen Kindles (\$99 to \$189) and its first [tablet computer](#), the Kindle Fire (\$199), later this month. Amazon still offers a Kindle that includes a physical keyboard,

too.

Amazon has not said how many Kindles it has sold.

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