Apple Inc. (AAPL) unveiled a taller, lighter and speedier iPhone that’s poised to become the fastest selling technology gadget in history -- even as competition accelerates in the $219.1 billion smartphone market.

“This is going to be the best-selling consumer electronics device of all time, bar none,” said Carl Howe, an analyst at Boston-based Yankee Group, who predicted that Apple will sell more than 10 million by month’s end, surpassing the record set last year by the predecessor device, the iPhone 4S.

Chief Executive Officer Tim Cook took the stage in San Francisco yesterday to tout iPhone 5, which runs on faster wireless networks, boasts a bigger screen and has a chip that handles tasks more quickly than past versions. While the event had few surprises, Apple is betting that the device is loaded with enough features to set it apart in a market swiftly crowding with phones by Nokia Oyj (NOK1V), Microsoft Corp. (MSFT) and Samsung Electronics Co.

“Apple has never been stronger,” Cook said during the presentation.

Apple may sell as many as 58 million units of the iPhone 5 by the end of the year, according the average estimate of analysts surveyed by Bloomberg. That could generate as much as $36.2 billion in sales for Apple, according to data compiled by Bloomberg.

Apple also upgraded the software that runs on the iPhone to include new mapping and turn-by-turn navigation features, as well as tools that make it easier to share photos and other content with Facebook Inc. (FB), the largest social-networking service.

Going Global

Sold with a wireless contract, the iPhone 5 will cost $199, $299 or $399, depending on how much memory it contains. The device will be available for orders on Sept. 14 and lands on store shelves Sept. 21 in the U.S., Australia, Canada, France, Germany, Hong Kong, Japan, Singapore and the U.K. It goes on sale in another 22 countries on Sept. 28.

Apple gained 1.4 percent to $669.79 yesterday in New York, extending the year-to-date surge to 65 percent. In German trading today, the stock climbed 1.5 percent to the equivalent of $670.39 as of 10:48 a.m. in Frankfurt.

The iPhone, introduced in 2007, has helped make Apple the world’s most valuable company. Once a niche computer maker, Apple now generates higher profit than technology competitors Hewlett-Packard Co. (HPQ), Microsoft and Google Inc. (GOOG)

Having popularized handheld touch-screen devices that offer swift Web downloads and a range of games, entertainment and productivity tools, Apple is now battling with manufacturers led by Samsung for dominance of a market that leaped 62 percent last year.

Screens, LTE

The event marked Apple’s first iPhone introduction since co-founder Steve Jobs passed away in October a day after the iPhone 4S was unveiled. Cook, who succeeded Jobs as CEO, made brief introductory remarks at the start of the event before turning it over to other executives to show off the new iPhone, as well as changes to the iTunes music store and line of iPods.

As much the iPhone 5 represents innovation, it also demonstrates Apple’s penchant for following competitors on some features, including screen size and compatibility with faster wireless networks.

With Samsung, Google’s Motorola Mobility and HTC Corp. (2498) introducing devices with bigger screens, the iPhone 5 is the first time Apple has changed the size of the device’s screen. The 4-inch screen compares with 3.5 inches in earlier
iterations.

“We’ve worked on that for a few years to come to what we think is the optimal size to give you more screen, but something that is super comfortable, easy to use and is thin and light and fits in your pocket,” said Phil Schiller, Apple senior vice president for marketing. “We think this is the ideal size.”

‘Radical Revision’

The new iPhone, Apple’s sixth, works with so-called long-term evolution, or LTE, data networks being introduced by companies including AT&T Inc. (T) and Verizon Wireless. LTE is designed to enable quicker Web browsing as well as faster download speeds for video and music than existing networks.

Even though using faster networks can drain a phone’s power supply, Apple said iPhone 5’s battery lasts longer than earlier models. The iPhone 5 also comes 18 percent thinner and 20 percent lighter than the iPhone 4S, Apple said. To make the device more svelte, Apple changed the design of the charging-dock connector. To accommodate the slew of accessories that are available for the older dock design, Apple said it will sell an adapter.

“The iPhone 5 represents the most radical revision yet to the biggest-selling smartphone,” Mike Gikas, an editor at Consumer Reports, said in an initial review of the product. “It has enough improvements and enhancements that even satisfied owners of the last-generation iPhone 4S will want to consider upgrading.”

‘Blowout, Home Run’

Like previous iPhones, the new model will be available in black and white.

Yesterday’s event highlighted how the high level of interest in Apple has made it almost impossible for the company to keep products secret. Pictures of the new iPhone that were posted on websites before the announcement proved accurate.

“There’s more attention than ever on Apple,” Schiller told reporters after the event. “That’s a great thing.”

Because Apple only introduces one new iPhone a year, each unveiling is critical. Apple has sold more than 244 million units since its 2007 debut, and the handset now accounts for about two-thirds of profit.

“They have built a juggernaut,” said Matt Murphy, a partner at Kleiner Perkins Caufield & Byers, a venture capital firm that invests in iPhone application companies. “This is going to be an absolutely blowout, home-run product.”

Apple also enhanced the speech-command service Siri, adding features that let users search for sports scores and make dinner reservations by speaking to the smartphone. A new application called Passbook gives users one application to store their loyalty gift cards, as well as digital tickets to movies, concerts and sporting events.

Google Rivalry

In addition to providing a showcase for new features, yesterday’s event also highlighted Apple’s growing rivalry with Google, the maker of the Android operating system that powers about half the world’s smartphones. Apple introduced its own mapping software with turn-by-turn navigation to replace Google and removed Google’s online video service, YouTube, from the batch of applications pre-installed on the iPhone.

During the event, Apple also announced a new version of its iPod Touch wireless music player. The new model has a 4-inch screen to match the iPhone 5 and comes with a 5-megapixel camera and stronger processor for playing games and other applications.

“When you look at each of these, they are incredible, industry-leading innovations by themselves, but what sets them apart and puts Apple way ahead of the competition is how they work so well together,” said Cook, who was dressed in an untucked black dress shirt, jeans and tennis shoes, before ceding the stage to the Foo Fighters.

One of the three songs performed by the rock band: “My Hero.”

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