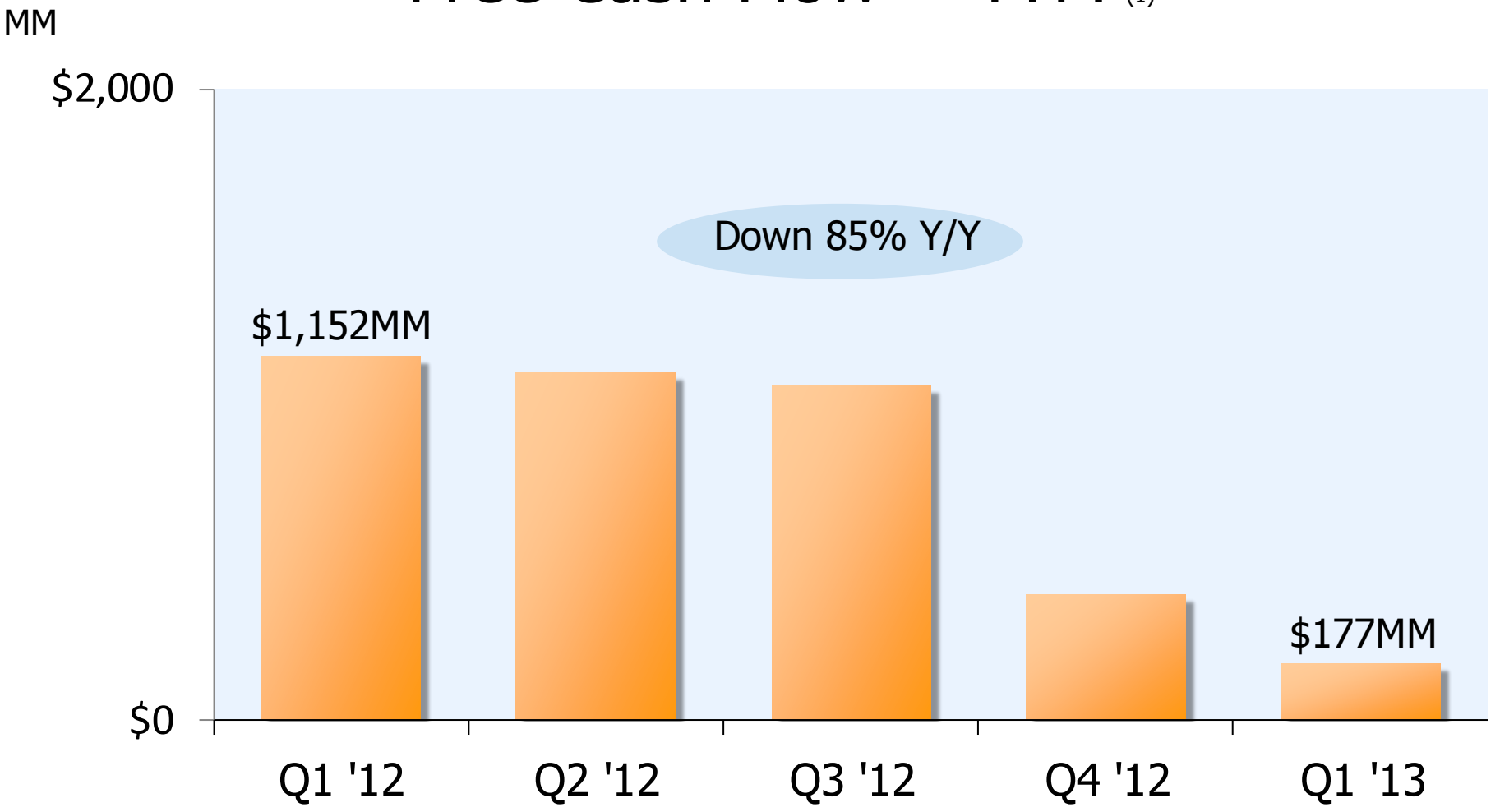
Q1 2013 Financial Results Conference Call Slides

This presentation may contain forward-looking statements which are inherently difficult to predict. Actual results could differ materially for a variety of reasons, including fluctuations in foreign exchange rates, changes in global economic conditions and consumer spending, world events, the rate of growth of the Internet and online commerce, the amount that Amazon.com invests in new business opportunities and the timing of those investments, the mix of products sold to customers, the mix of net sales derived from products as compared with services, the extent to which we owe income taxes, competition, management of growth, potential fluctuations in operating results, international growth and expansion, the outcomes of legal proceedings and claims, fulfillment and data center optimization, risks of inventory management, seasonality, the degree to which the Company enters into, maintains and develops commercial agreements, acquisitions and strategic transactions, and risks of fulfillment throughput and productivity. Other risks and uncertainties include, among others, risks related to new products, services and technologies, system interruptions, government regulation and taxation, payments, and fraud. In addition, the current global economic climate amplifies many of these risks. More information about factors that potentially could affect Amazon.com's financial results is included in Amazon.com's filings with the Securities and Exchange Commission, including its most recent Annual Report on Form 10-K and subsequent filings.

Additional information relating to certain of our financial measures contained herein is available in the appendix to our presentation, our most recent earnings release and at our website at www.amazon.com/ir.

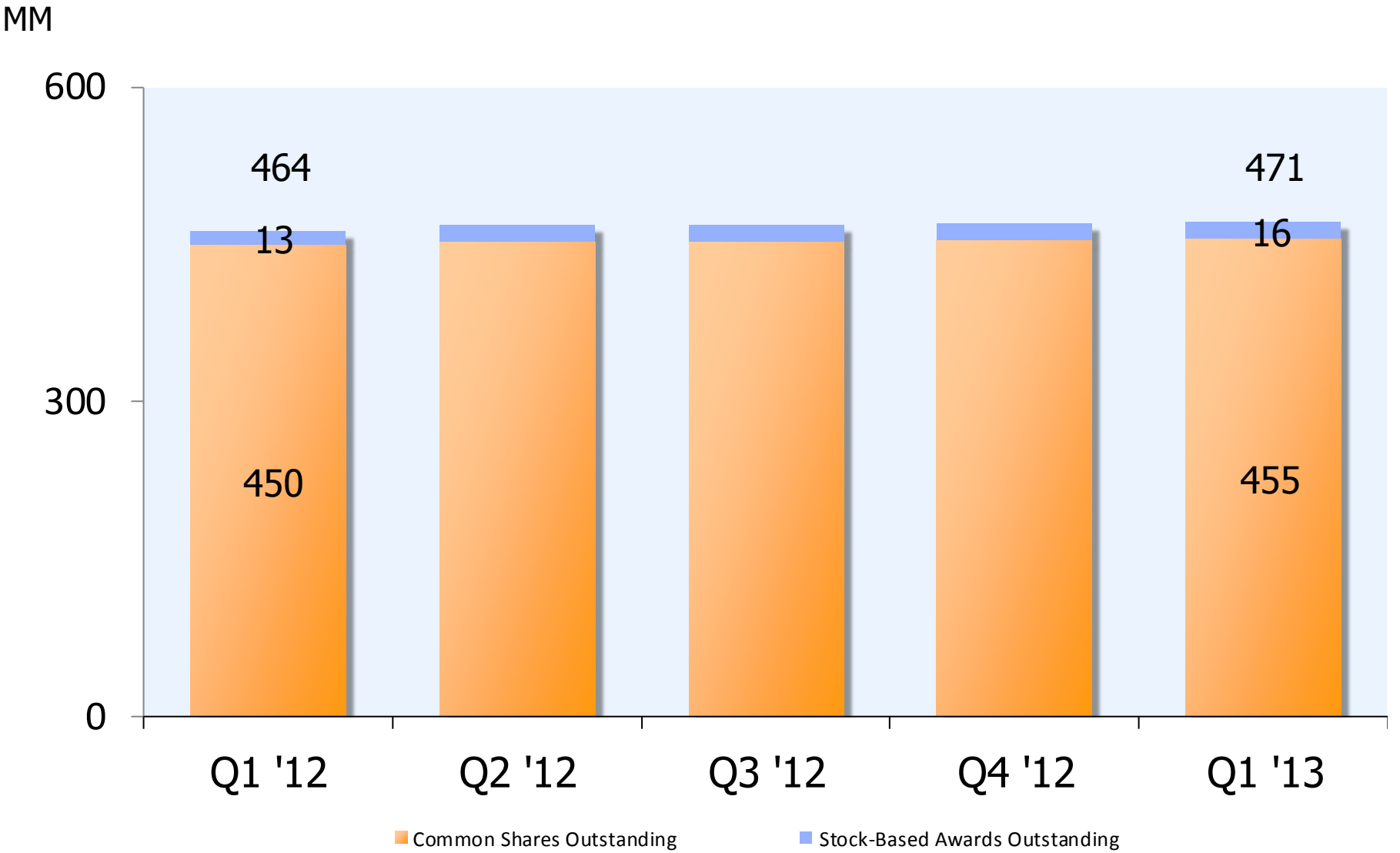
Free Cash Flow -- TTM (1)



Long Term Goal – Optimize Free Cash Flow

(1) Free Cash Flow, a non-GAAP financial measure, is GAAP Operating Cash Flow Less Purchases of Property and Equipment. See appendix for a reconciliation of Operating Cash Flow to Free Cash Flow.

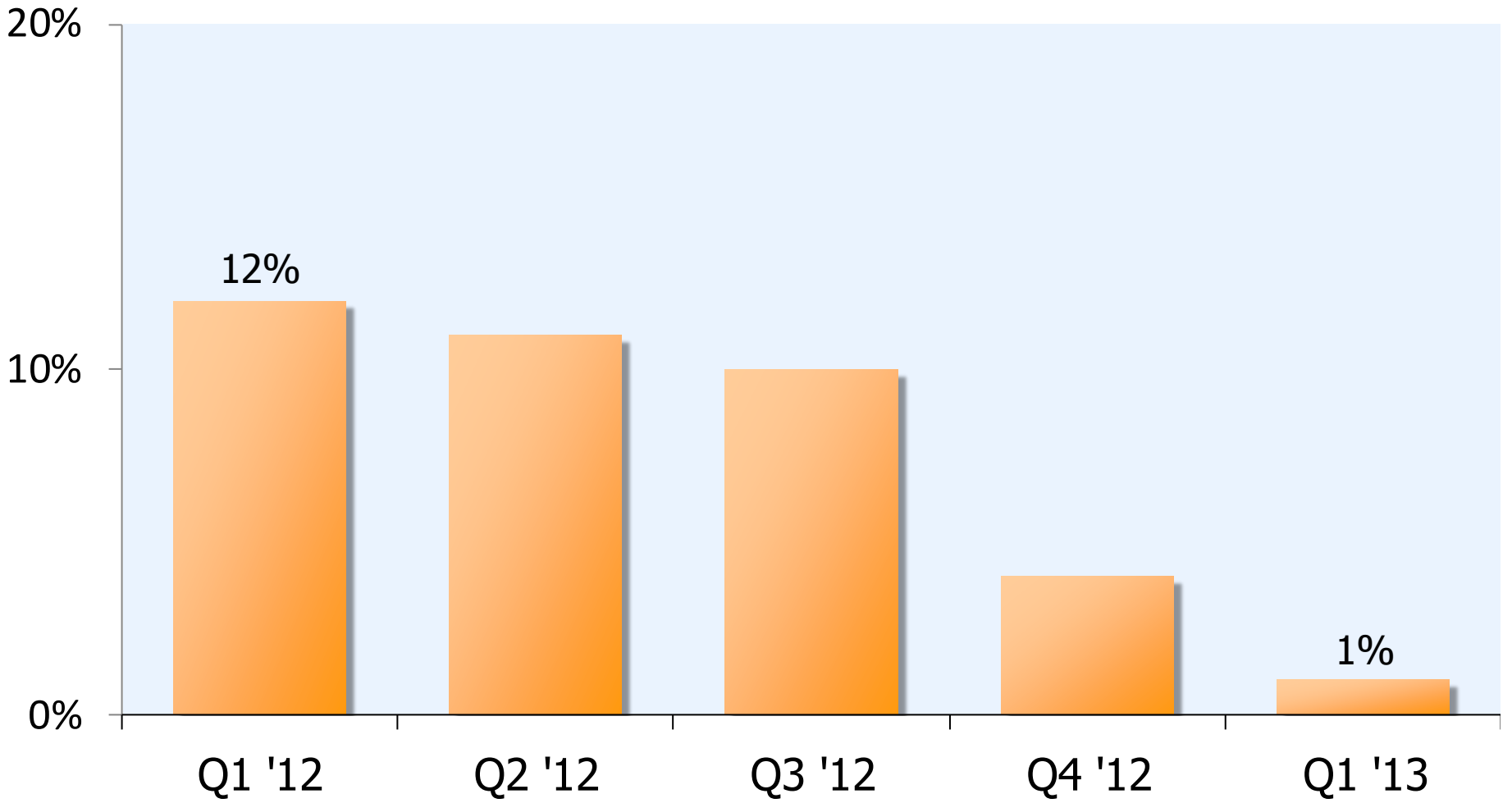
Shares (1)



Efficiently Managing Dilution

(1) The Company repurchased 5.3 million shares in Q1 2012.

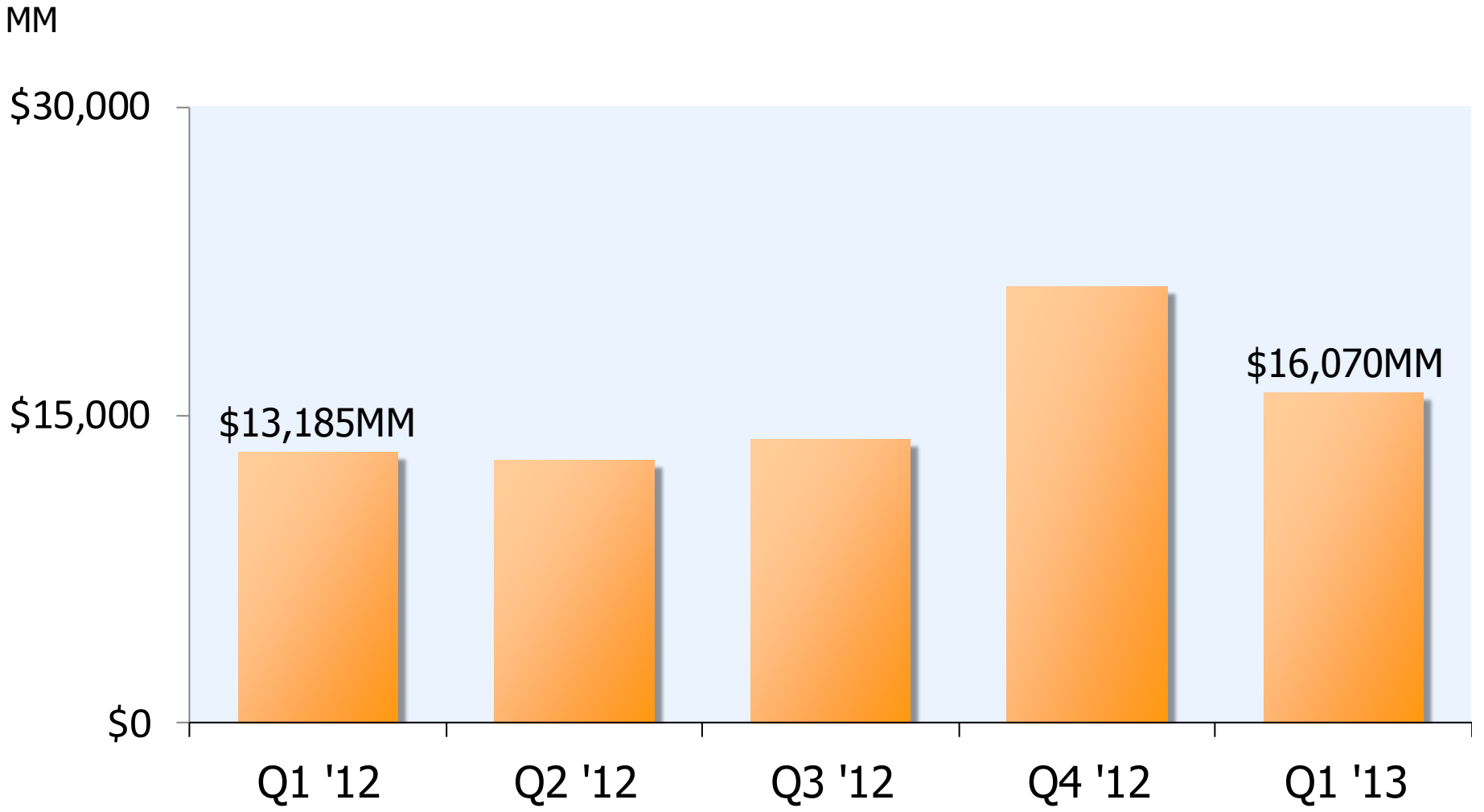
Return on Invested Capital -- TTM (1)



Efficient Capital Structure

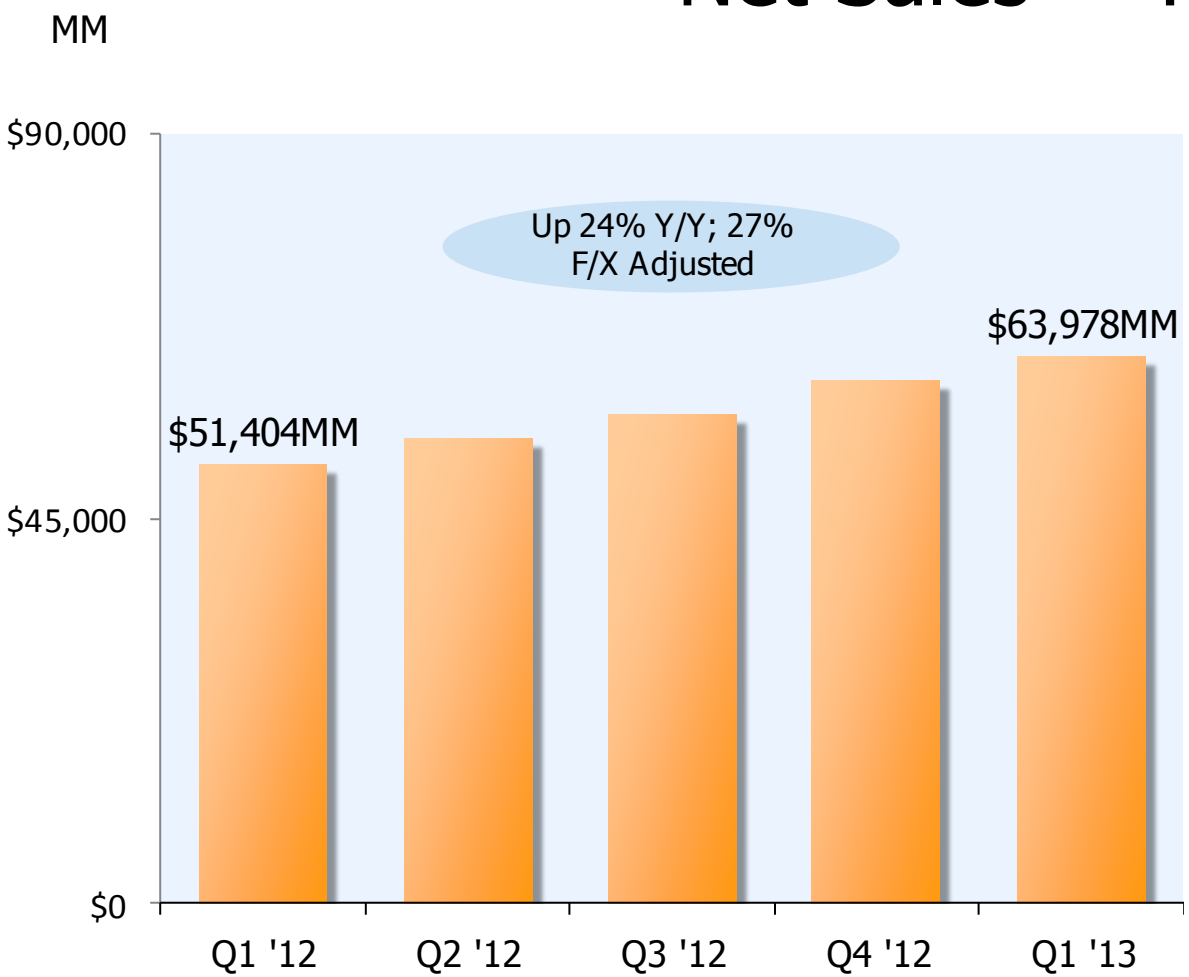
(1) ROIC = TTM Free Cash Flow divided by average Total Assets minus Current Liabilities, excluding current portion of our Long-Term Debt, over 5 quarter ends.

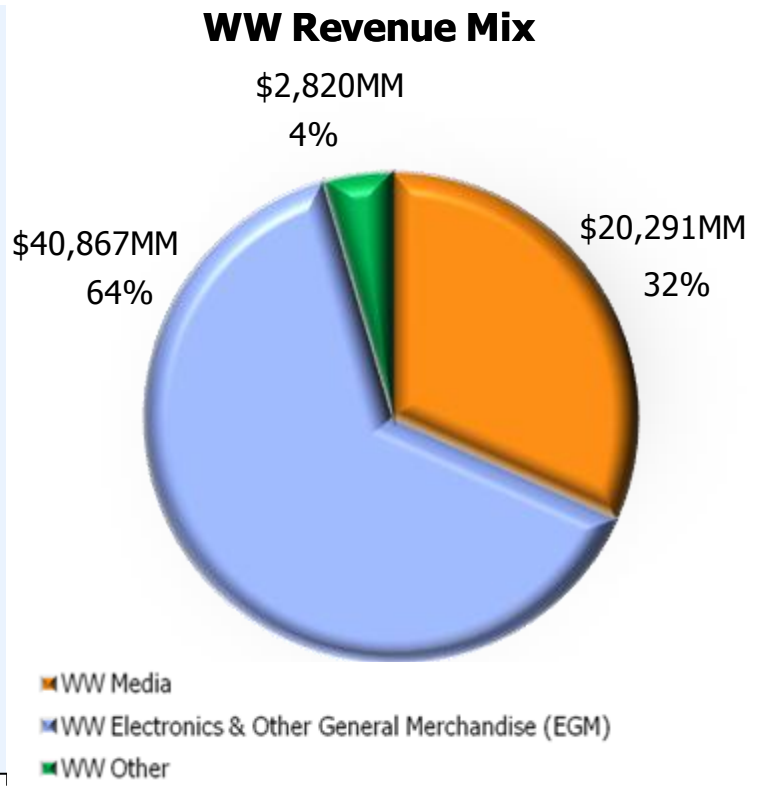
Net Sales



Up 22% Y/Y (24% F/X Adjusted)

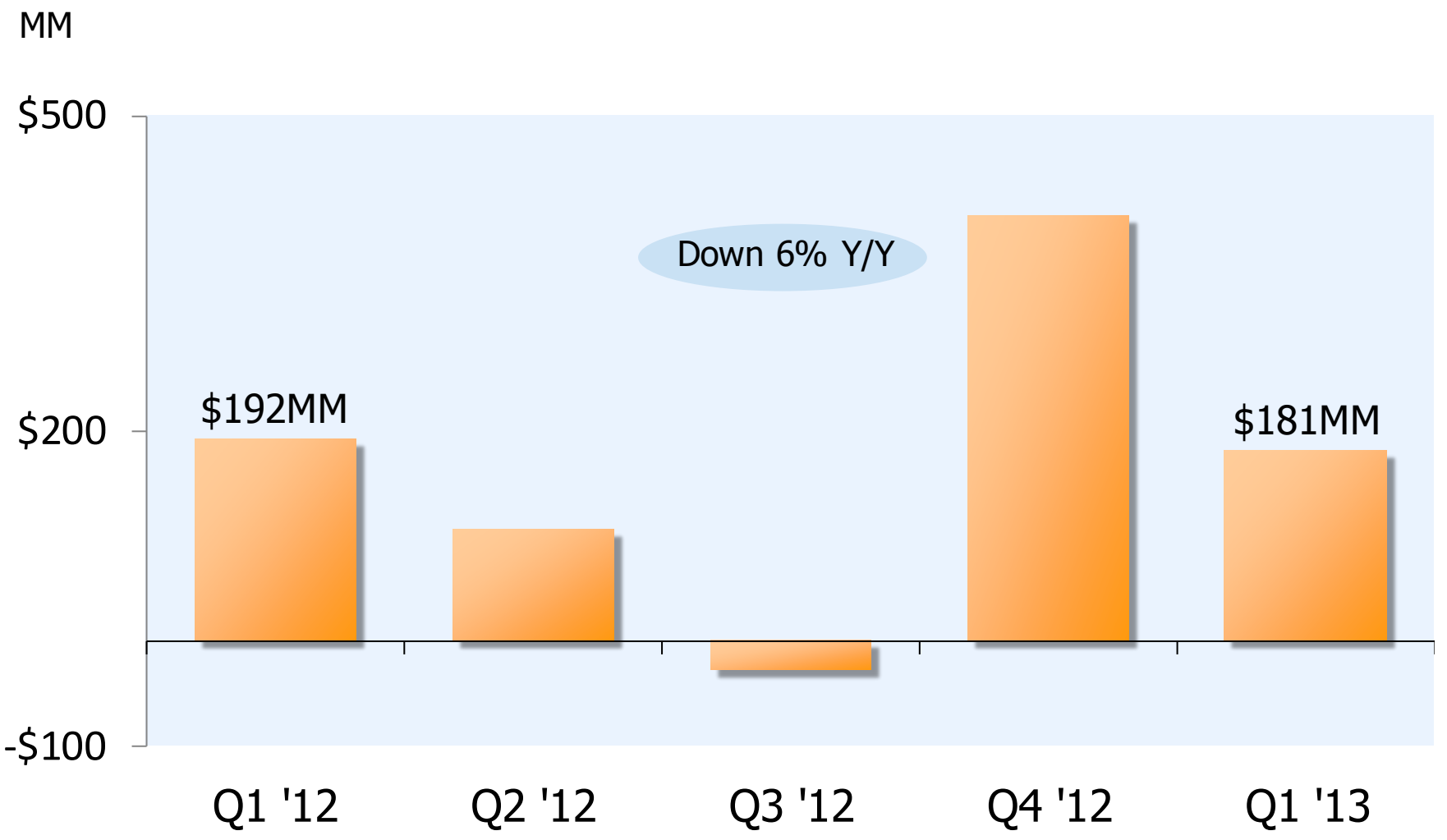
Net Sales -- TTM



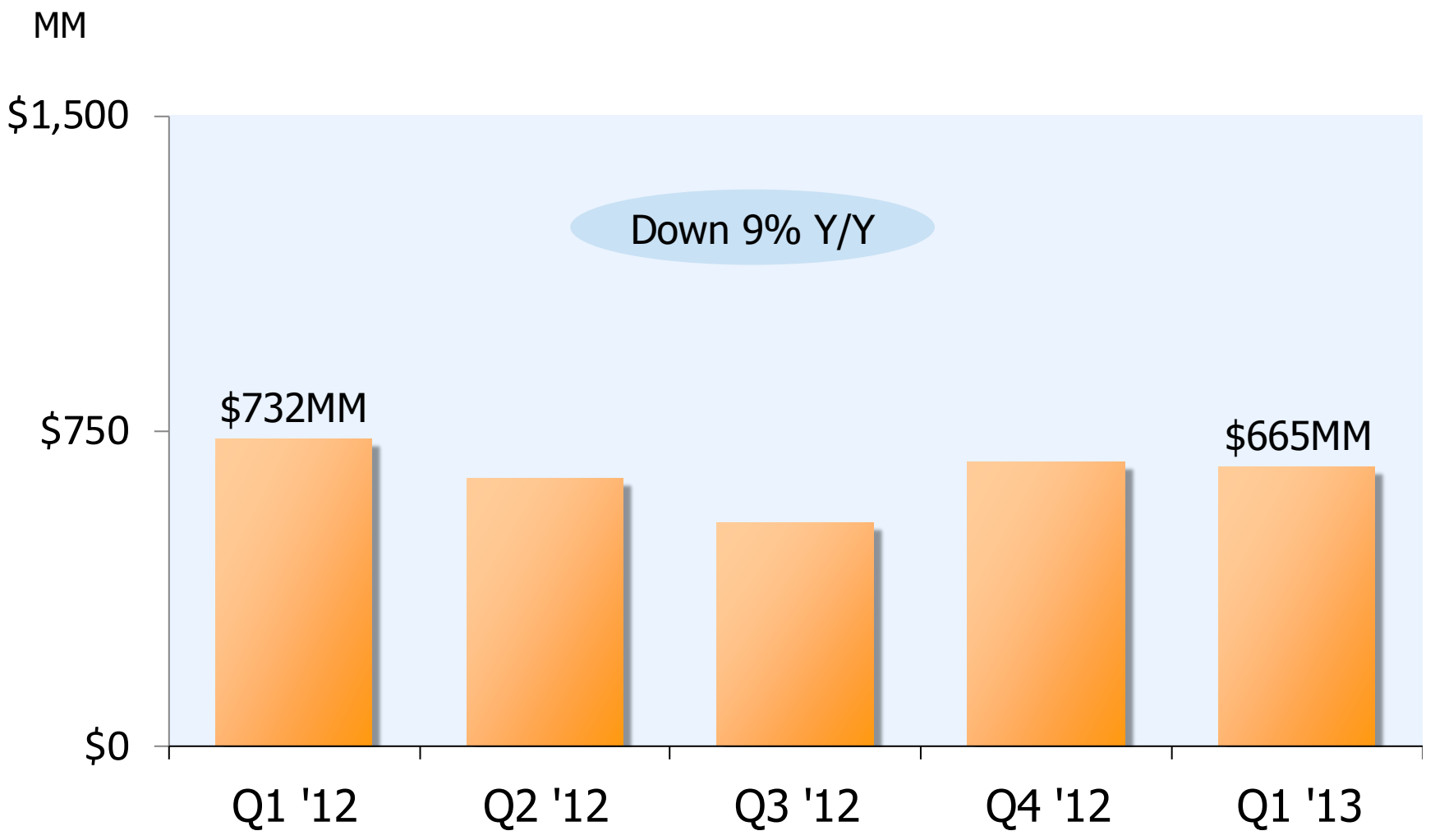


64% of WW TTM Revenue from EGM, Up from 60% Y/Y

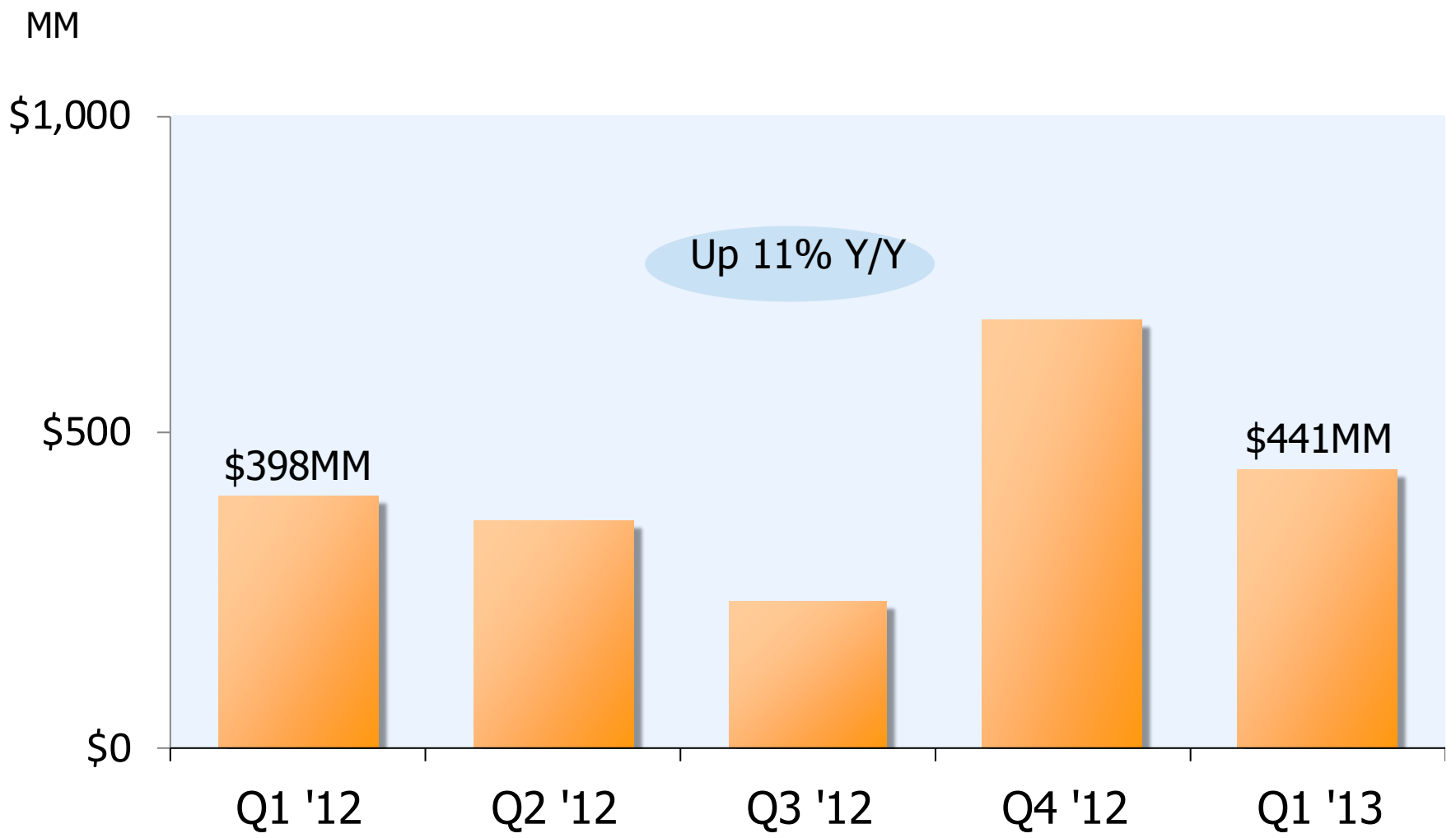
GAAP Operating Income (Loss)



GAAP Operating Income – TTM

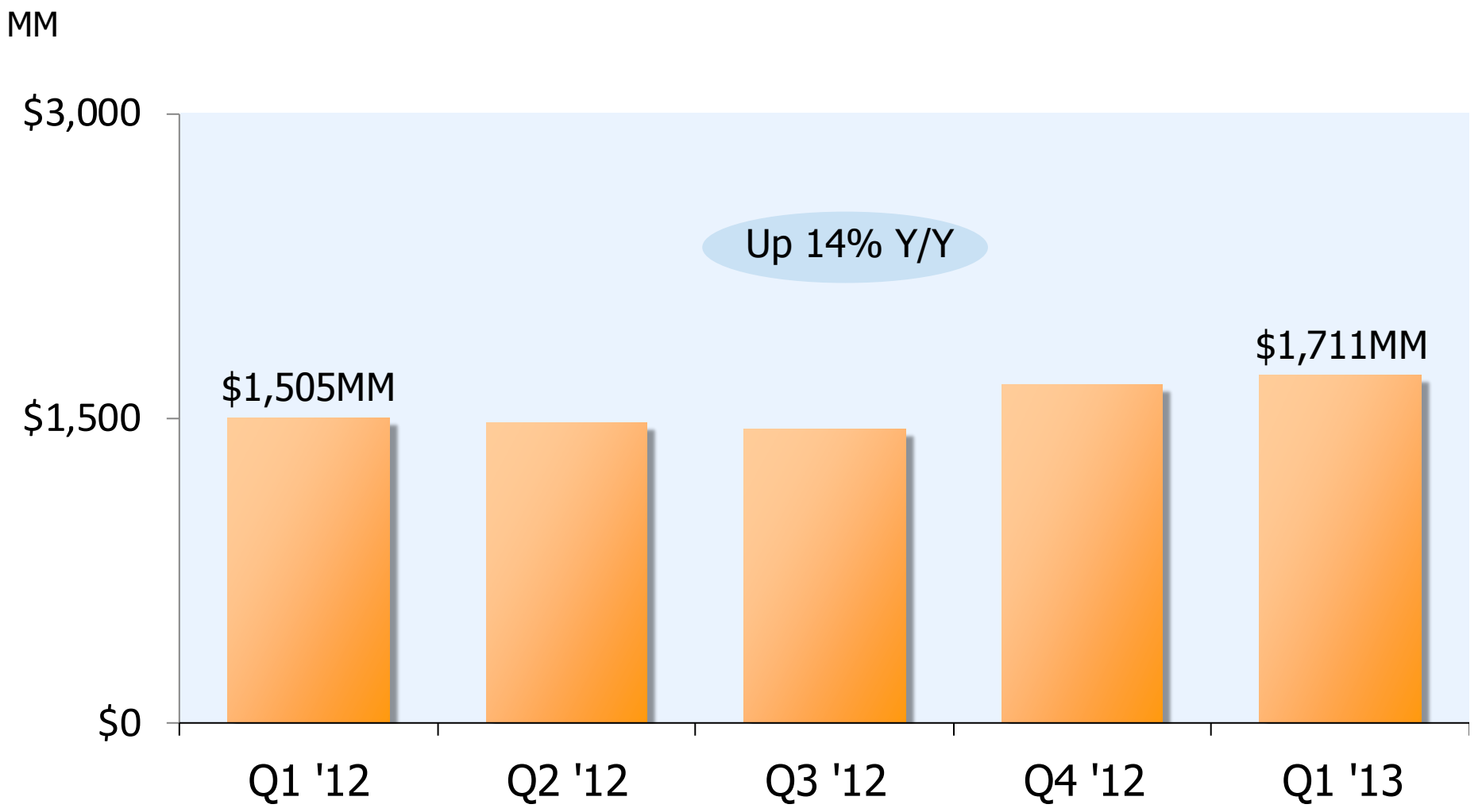


Consolidated Segment Operating Income (1)



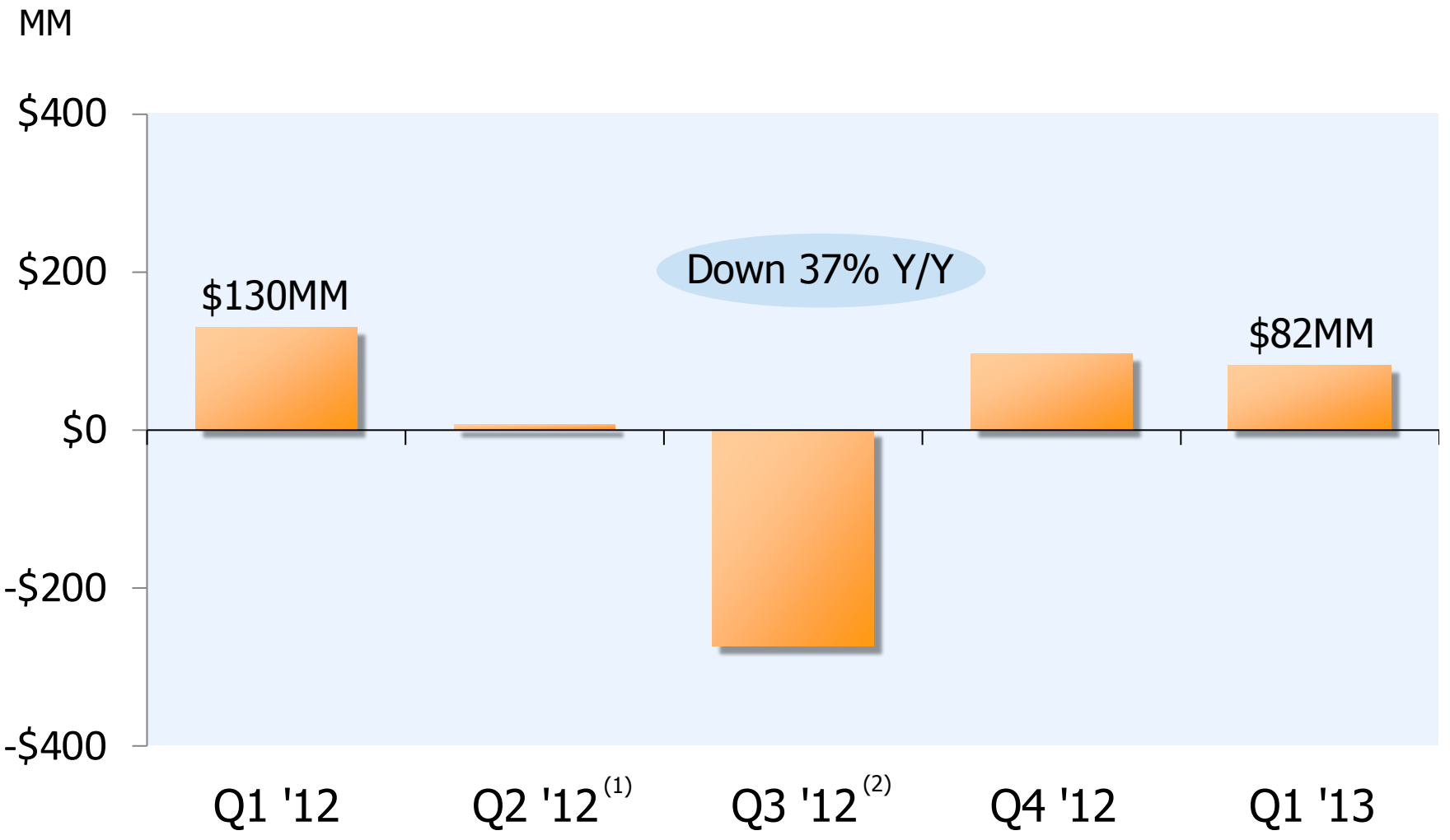
(1) Consolidated Segment Operating Income (CSOI), a non-GAAP financial measure, excludes Stock-Based Compensation and Other Operating Income (Expense). See appendix for a reconciliation of CSOI to GAAP Operating Income.

Consolidated Segment Operating Income -- TTM (1)



(1) Consolidated Segment Operating Income (CSOI), a non-GAAP financial measure, excludes Stock-Based Compensation and Other Operating Income (Expense). See appendix for a reconciliation of CSOI to GAAP Operating Income.

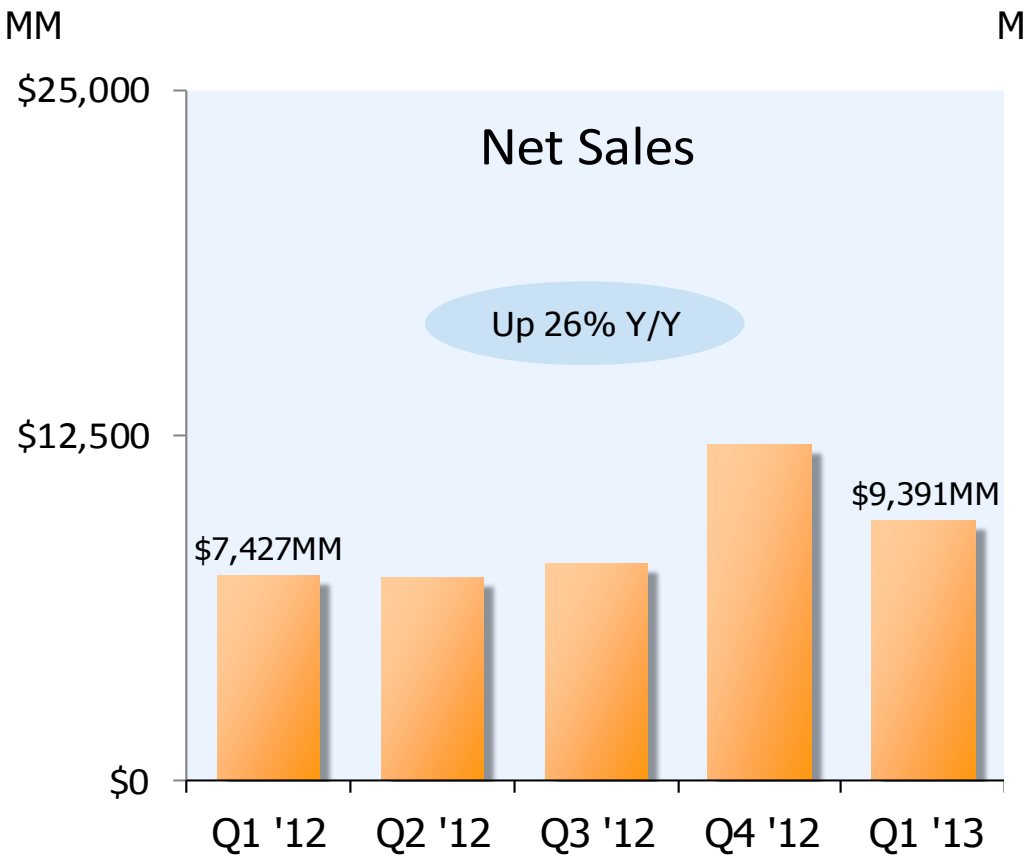
GAAP Net Income (Loss)

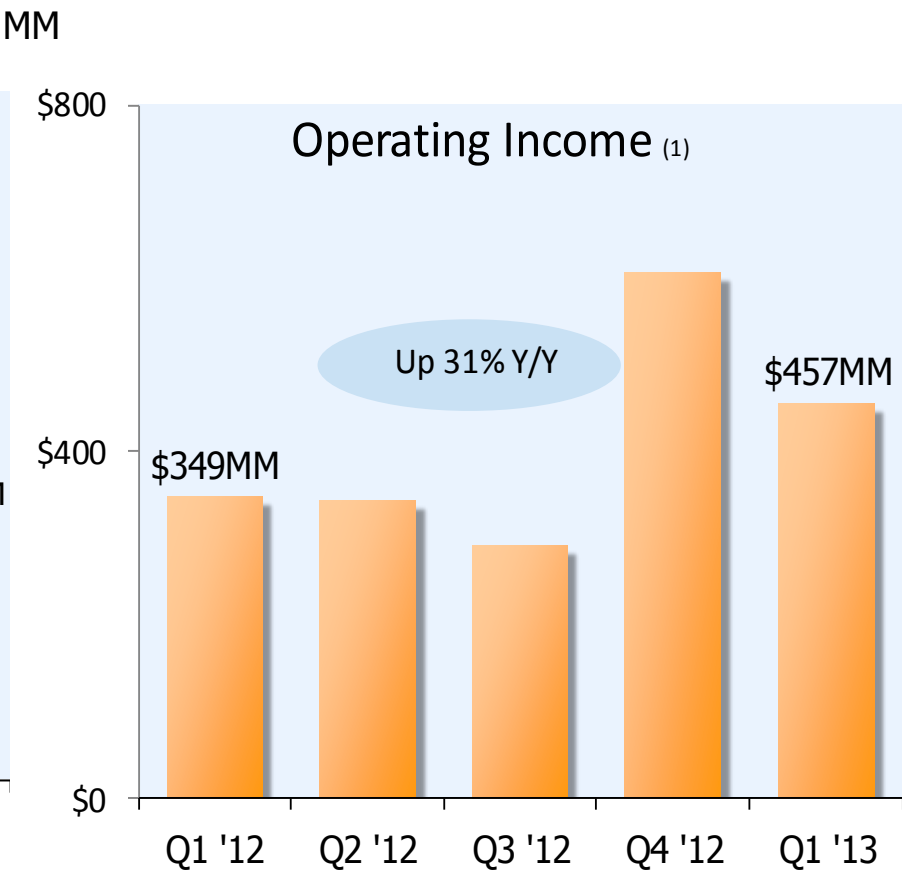


(1) Q2 2012 includes $65 million of net loss related to the acquisition and integration of Kiva Systems, Inc.

(2) Q3 2012 includes $169 million of net loss related to the equity-method share of the losses reported by LivingSocial.

Segment Results – North America

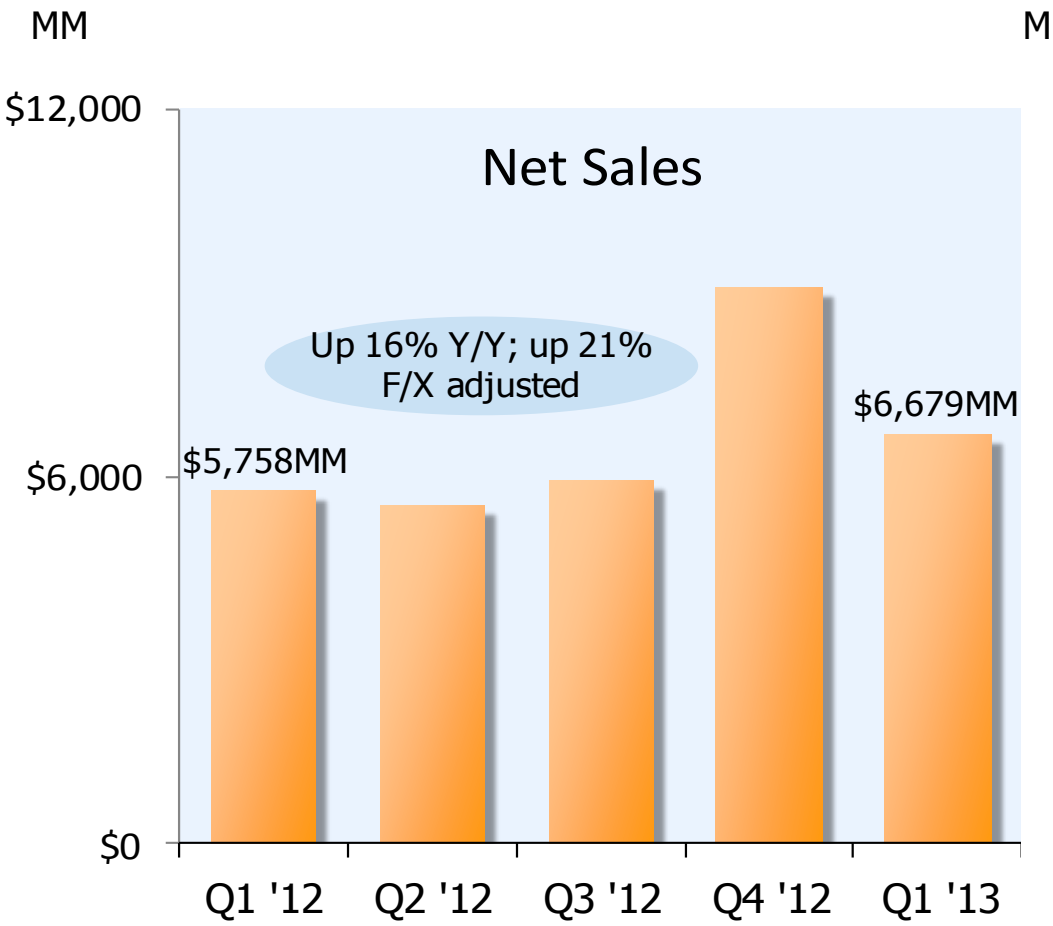


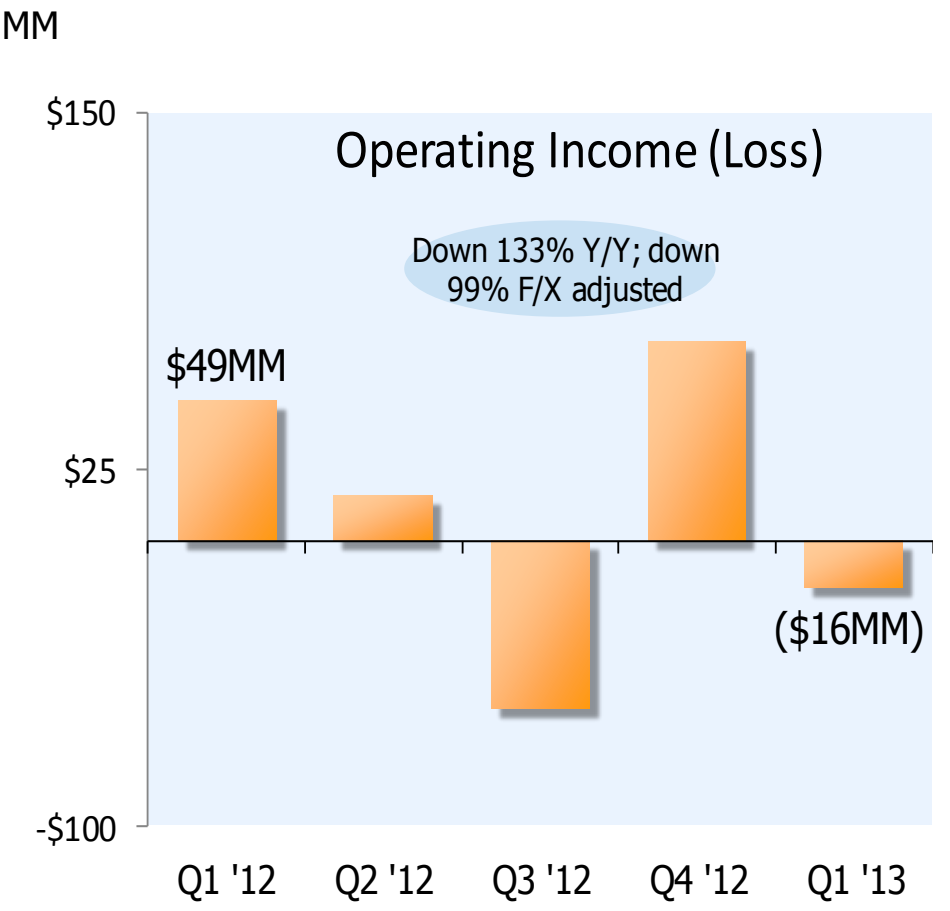


TTM Net Sales $36.8B

(1) A majority of our costs for "Technology and Content" are incurred in the United States and most of these costs are allocated to our North America segment.

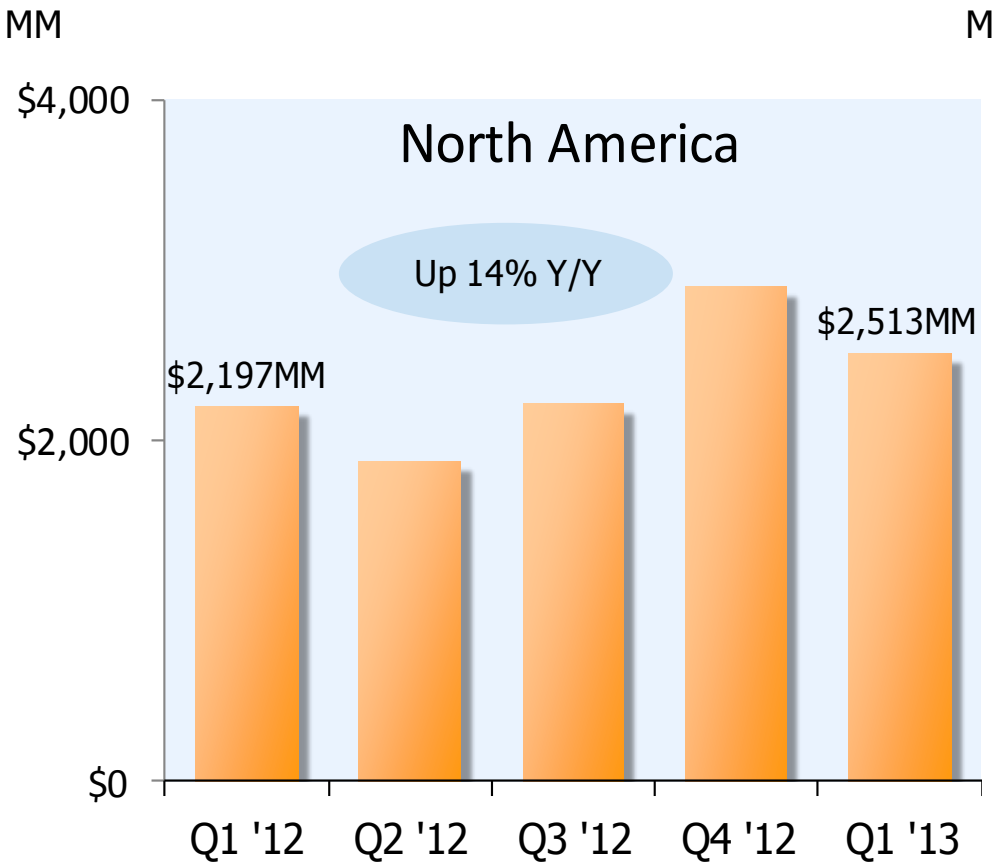
Segment Results – International

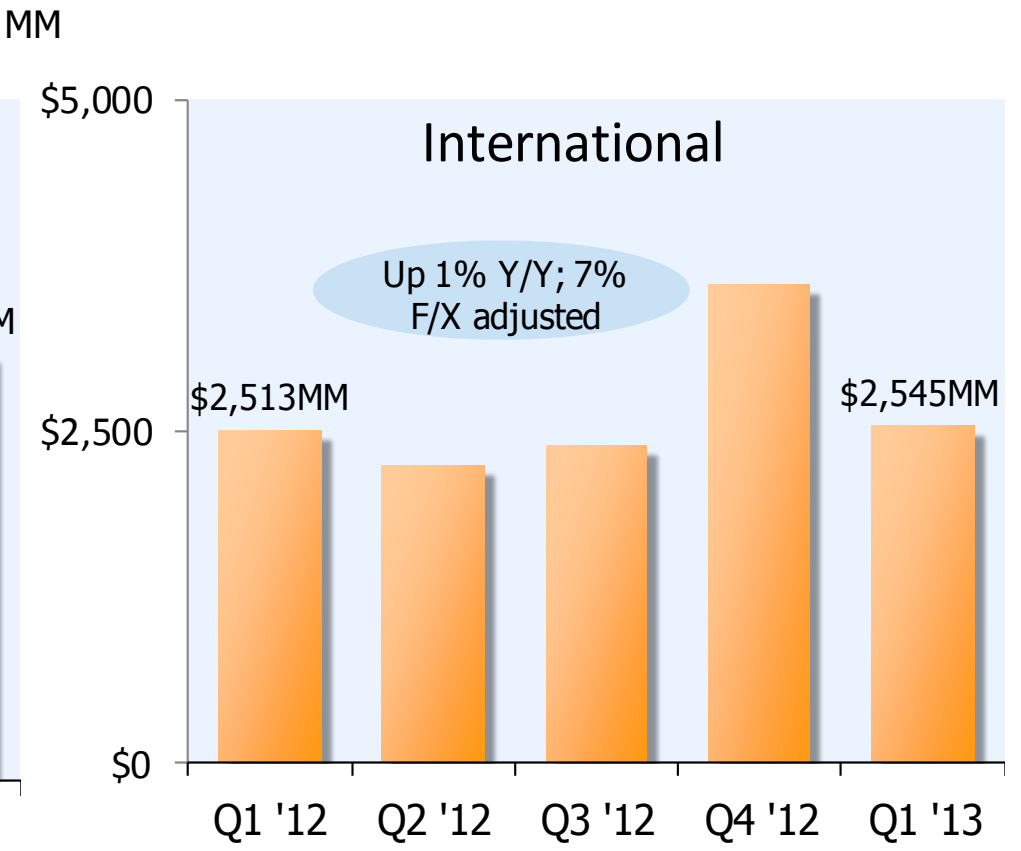




TTM Net Sales $27.2B

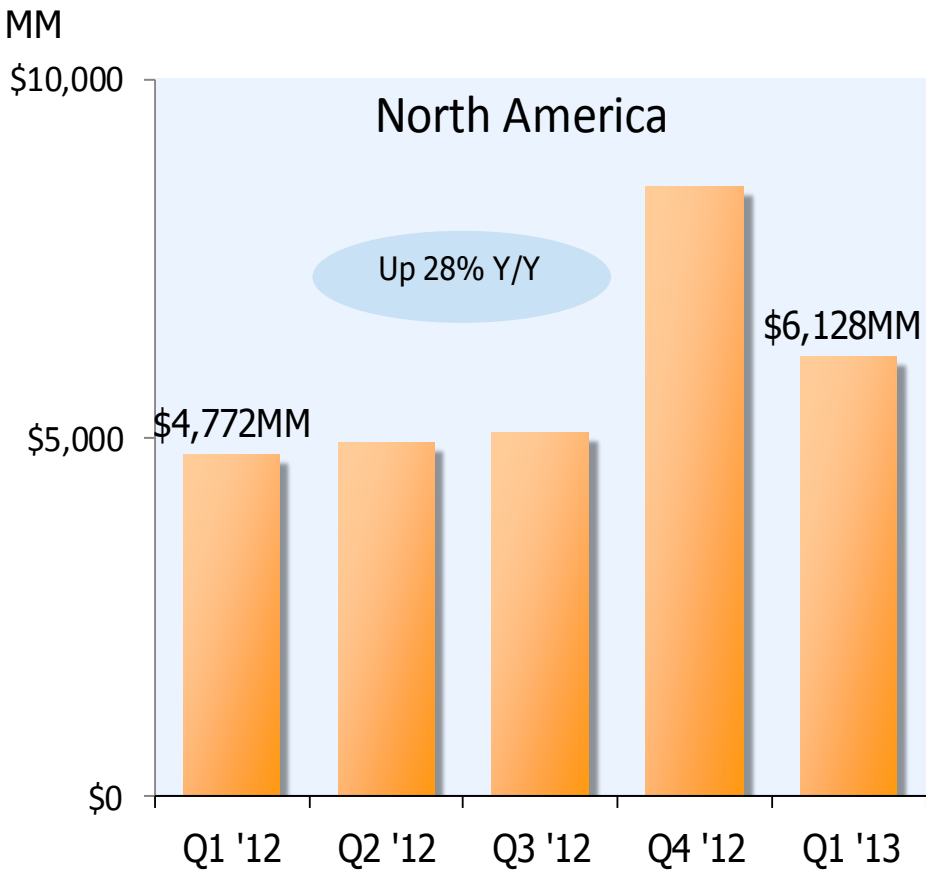
Supplemental Revenue Highlights – Media

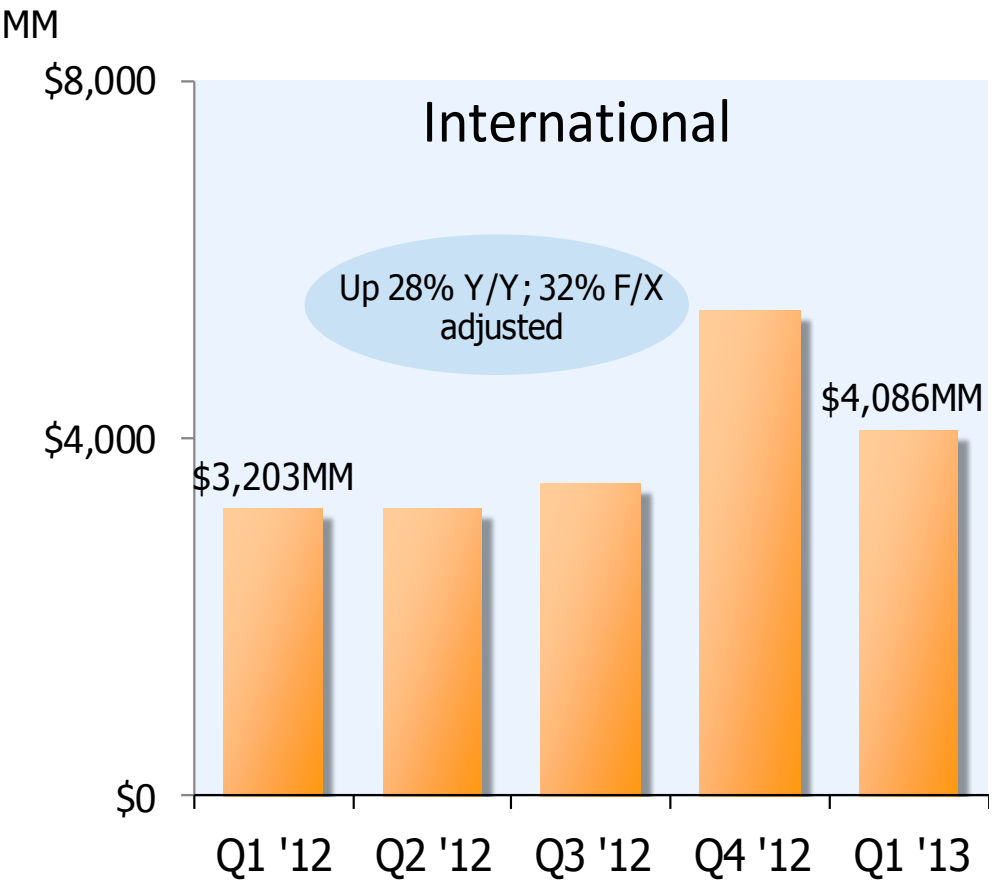




Books, Music, Movies, Video Games and Consoles, Software, and Digital Downloads

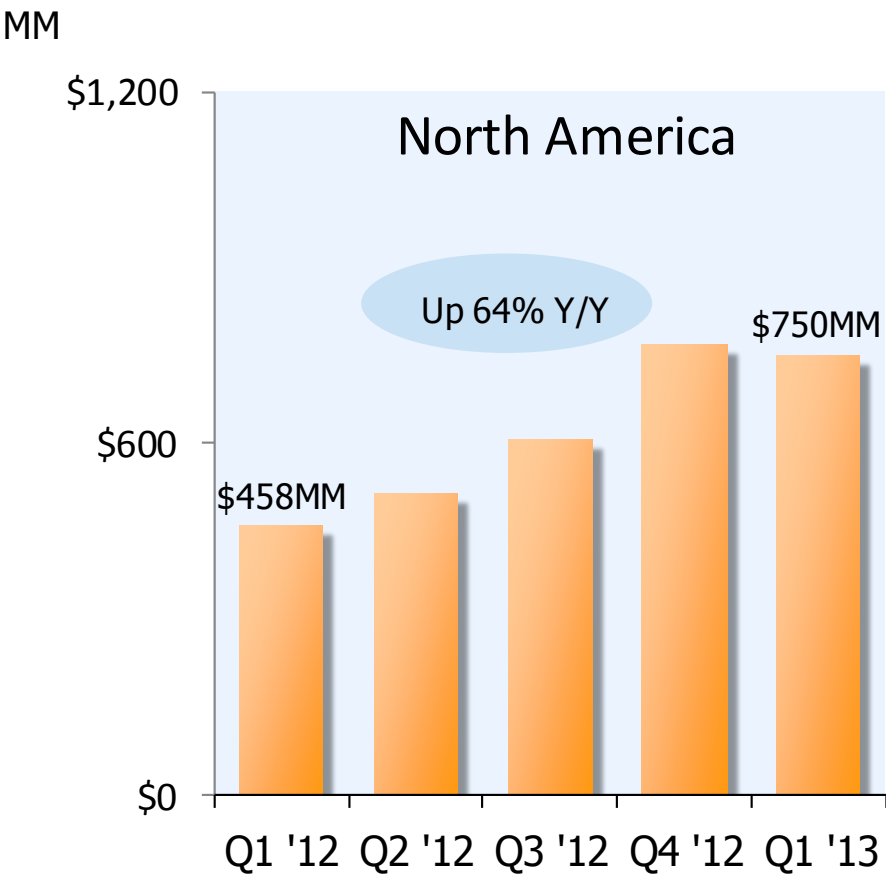
Supplemental Revenue Highlights – Electronics & Other General Merchandise (EGM)

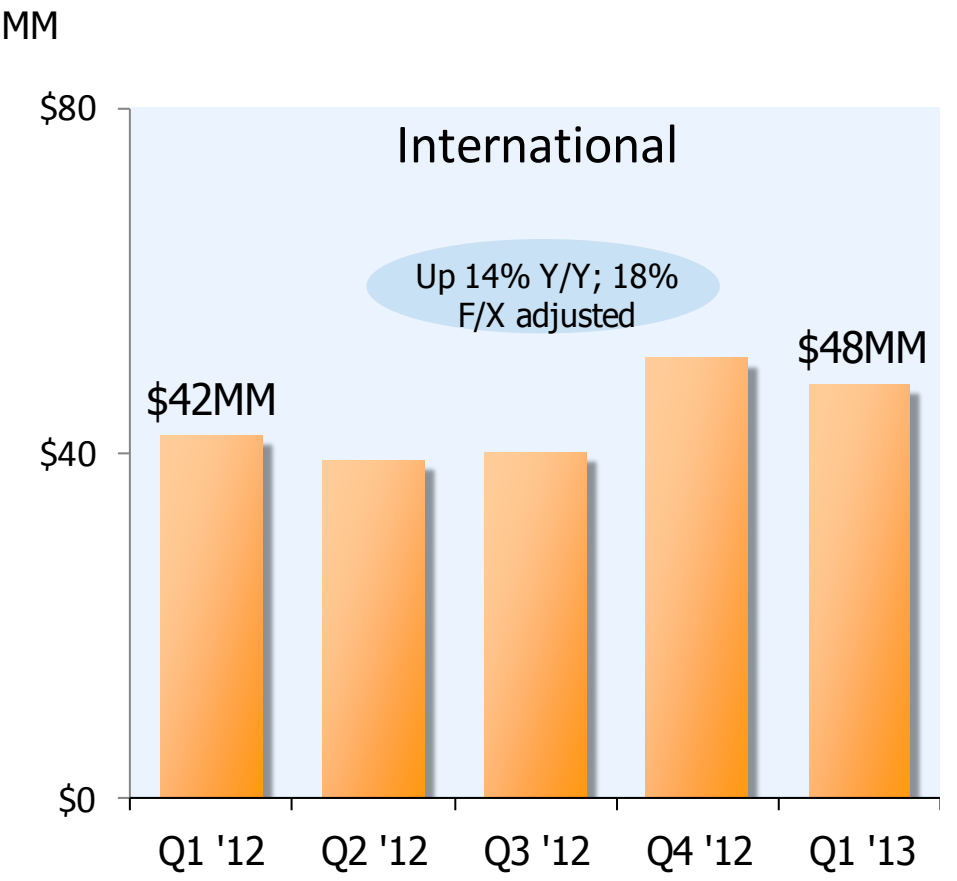




Computers and Office, Electronics, Home and Garden, Grocery, Health and Beauty, Toys, Kids and Baby, Apparel, Shoes and Jewelry, Sports and Outdoors, Tools, Auto and Industrial, and Digital Devices

Supplemental Revenue Highlights – Other





Amazon Web Services (NA), Advertising Services, and Co-branded Credit Cards

Appendix

Free Cash Flow Reconciliation -- TTM

$MM	Q1 '12	Q2 '12	Q3 '12	Q4 '12	Q1 '13
Operating Cash Flow	$ 3,051	$ 3,222	$ 3,368	$ 4,180	$ 4,245
Purchases of Property and Equipment, Including Internal-Use Software and Website Development	(1,899)	(2,123)	(2,310)	(3,785)	(4,068)
Free Cash Flow	$ 1,152	$ 1,099	$ 1,058	$ 395	$ 177

Consolidated Segment Operating Income Reconciliation

$MM	Q1 '12	Q2 '12	Q3 '12	Q4 '12	Q1 '13
Consolidated Segment Operating Income	$ 398	$ 360	$ 232	$ 678	$ 441
Stock-Based Compensation	(160)	(221)	(217)	(235)	(229)
Other Operating Income (Expense), Net	(46)	(32)	(43)	(38)	(31)
GAAP Operating Income (Loss)	$ 192	$ 107	$ (28)	$ 405	$ 181

Consolidated Segment Operating Income Reconciliation -- TTM

$MM	Q1 '12	Q2 '12	Q3 '12	Q4 '12	Q1 '13
Consolidated Segment Operating Income	$ 1,505	$ 1,480	$ 1,451	$ 1,668	$ 1,711
Stock-Based Compensation	(605)	(684)	(756)	(833)	(901)
Other Operating Income (Expense), Net	(168)	(159)	(164)	(159)	(145)
GAAP Operating Income	$ 732	$ 637	$ 531	$ 676	$ 665