

amazon.com

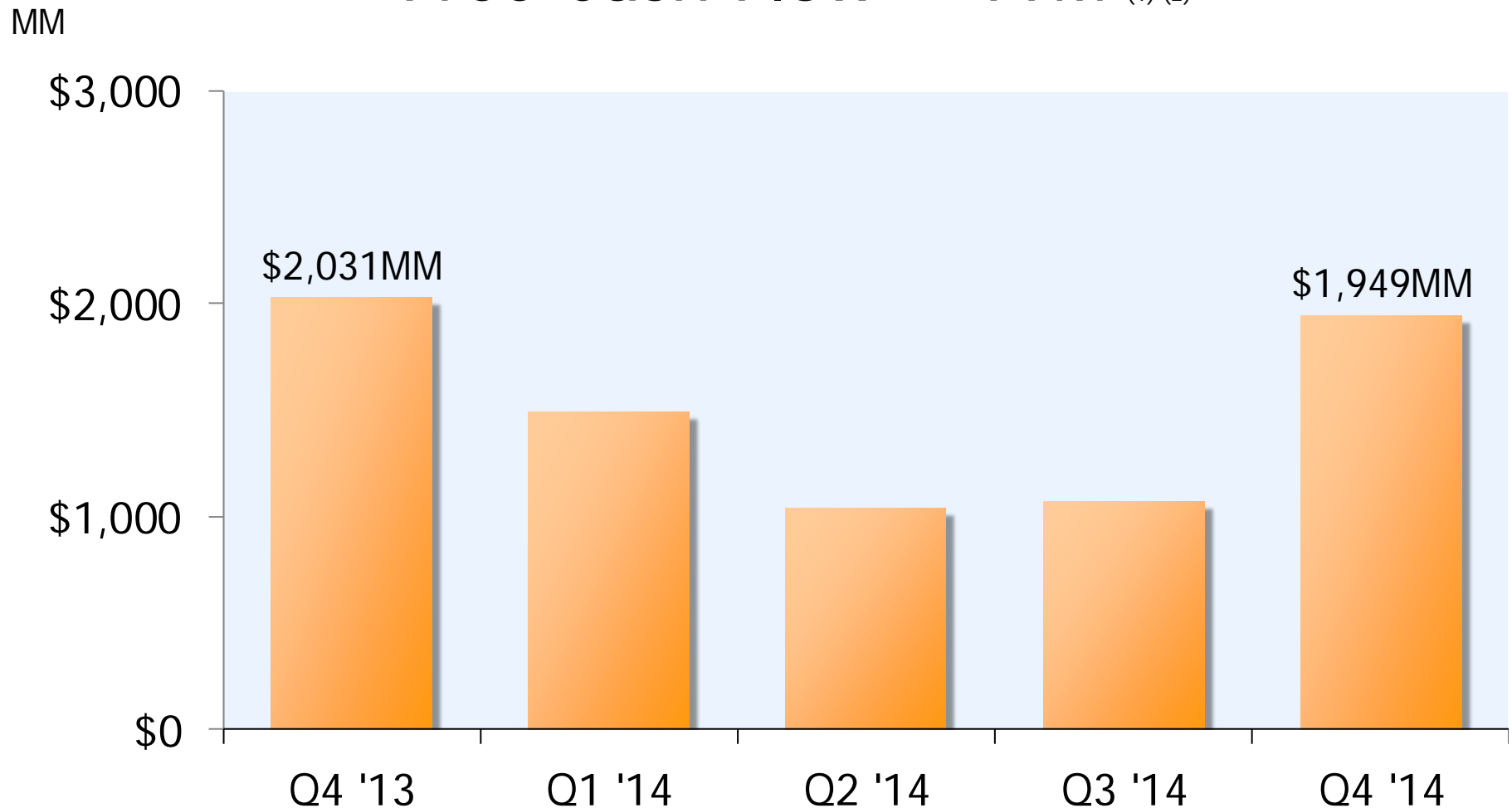
The Amazon logo, a yellow curved arrow pointing from the letter 'a' to the letter 'z', is positioned below the text 'amazon.com'.

Q4 2014 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, sortation, delivery, 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, payments risks, 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, 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) (2)}

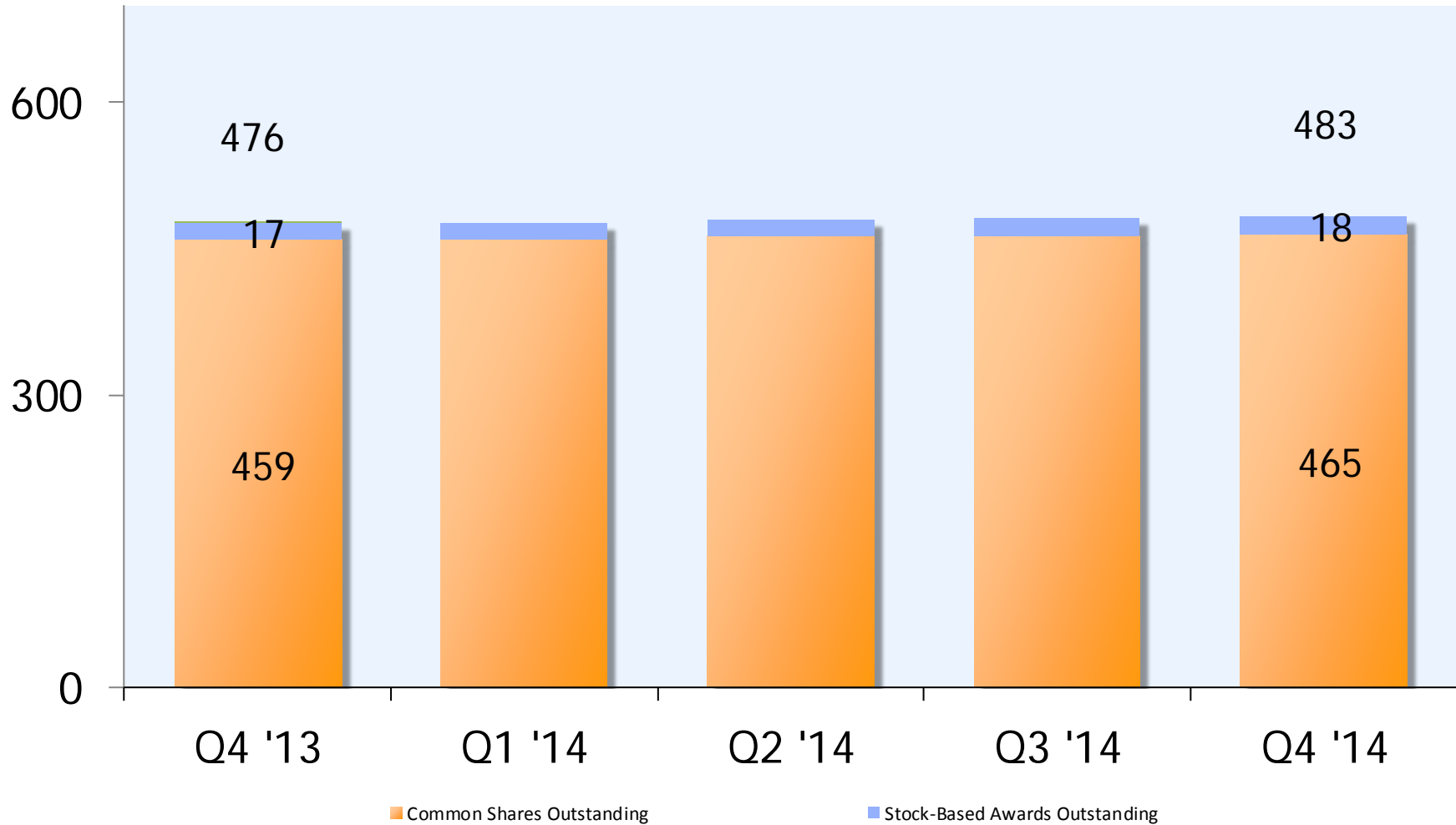


Long Term Goal – Optimize Free Cash Flow

- (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.
- (2) See appendix for additional free cash flow measures: "Free Cash Flow less Lease Principal Repayments" and "Free Cash Flow less Finance Principal Lease Repayments and Capital Acquired Under Capital Leases."

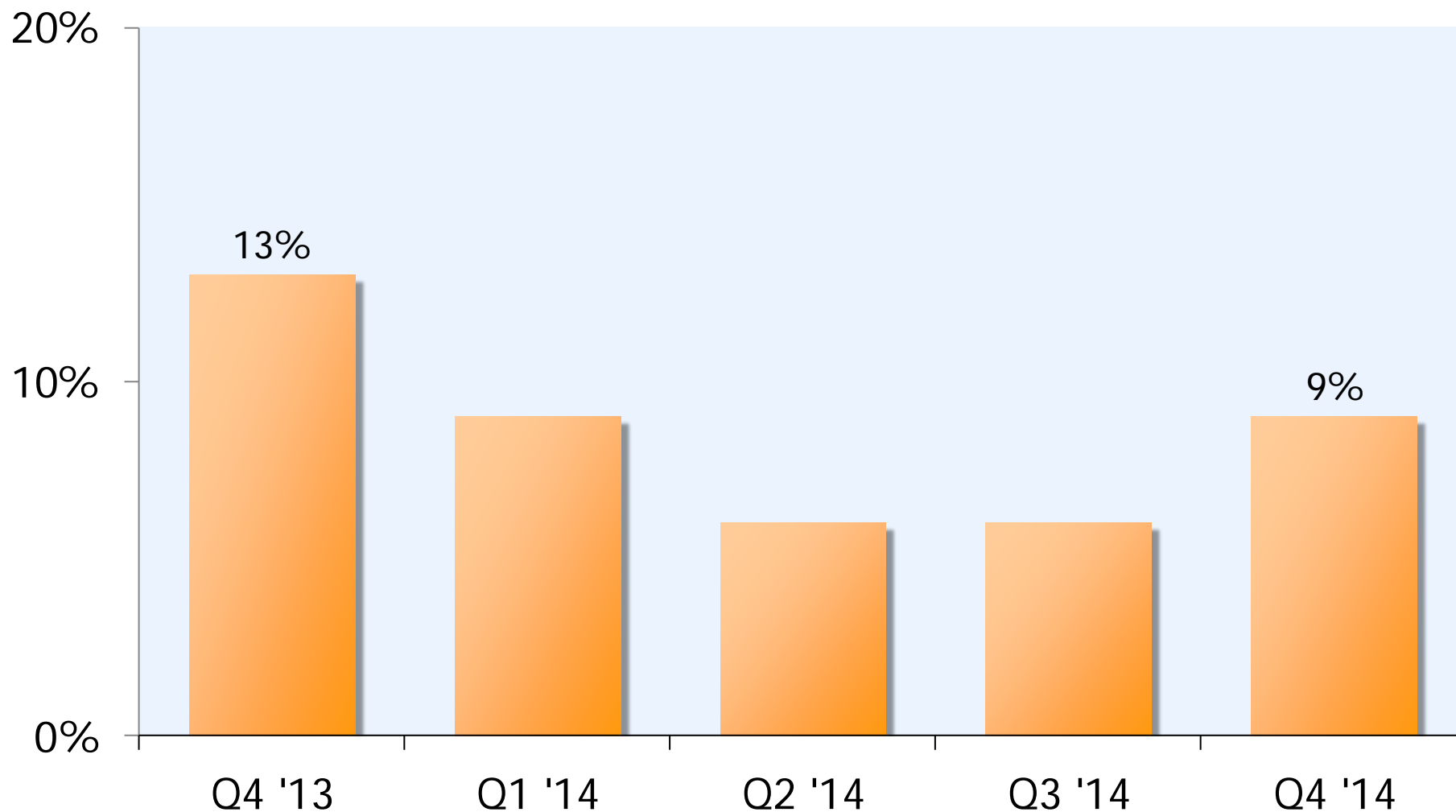
Shares

MM



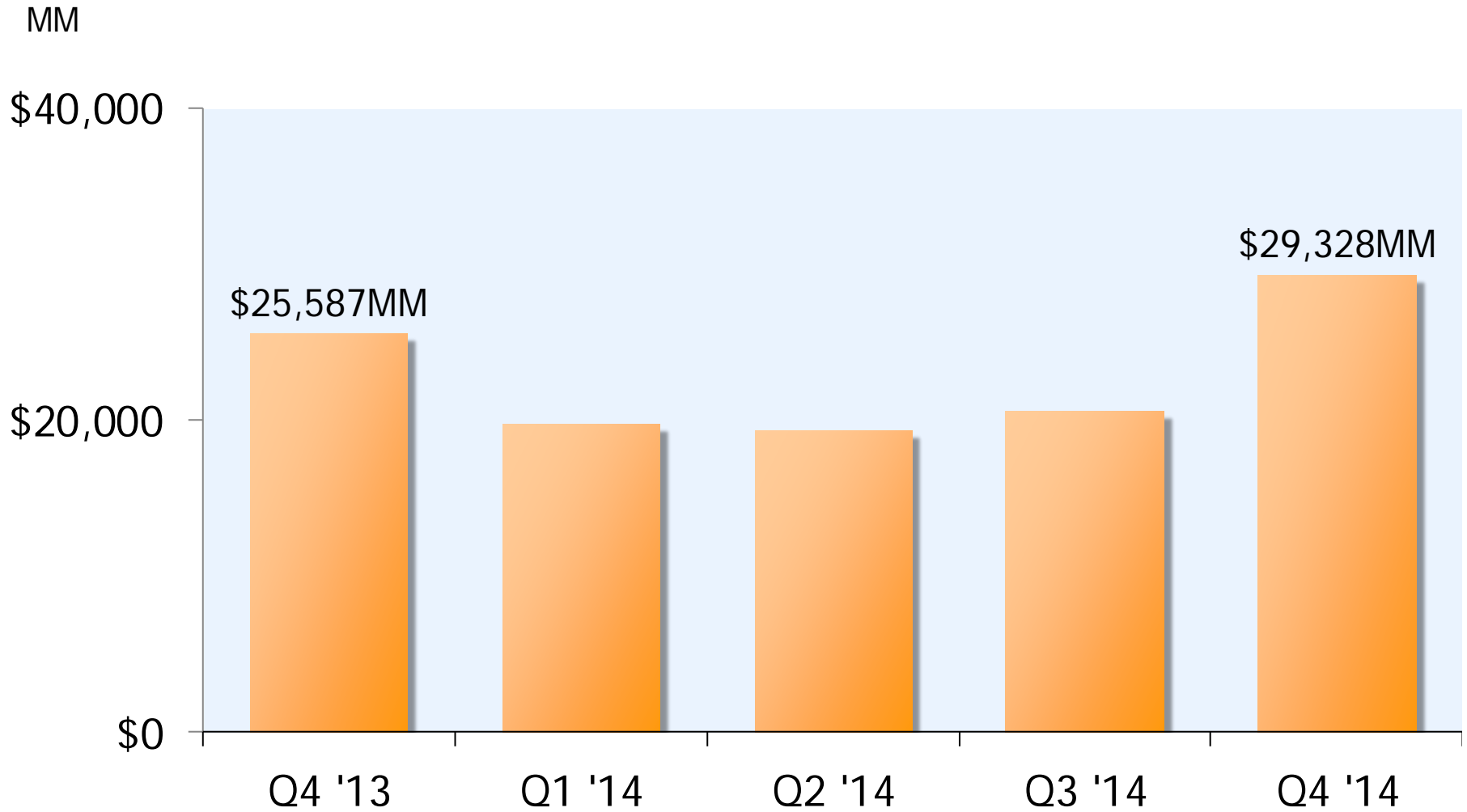
Efficiently Managing Dilution

Return on Invested Capital -- TTM ⁽¹⁾



(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.

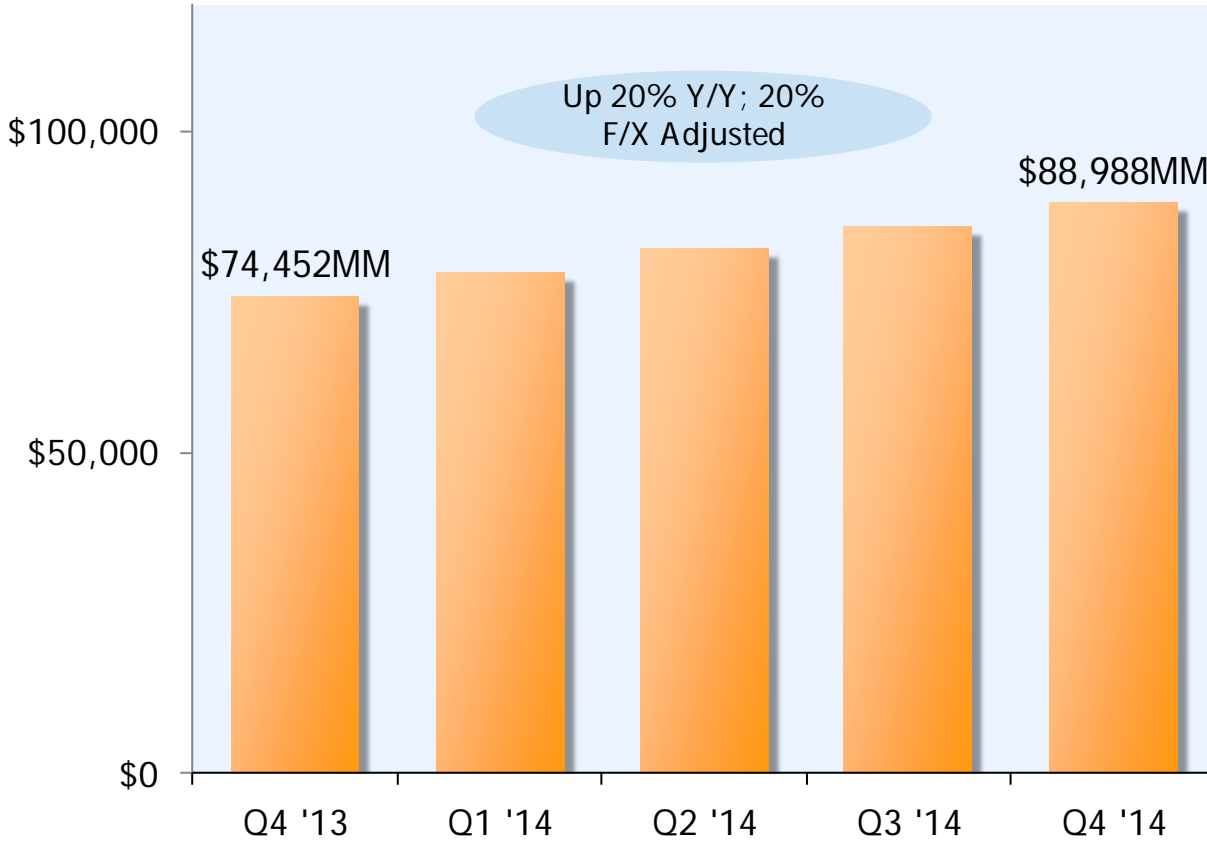
Net Sales



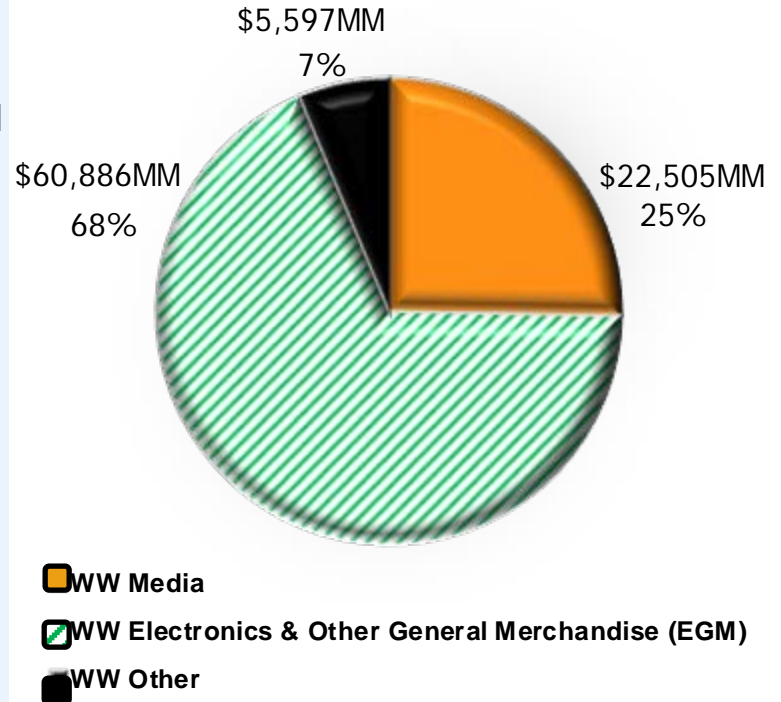
Up 15% Y/Y (18% F/X Adjusted)

Net Sales -- TTM

MM

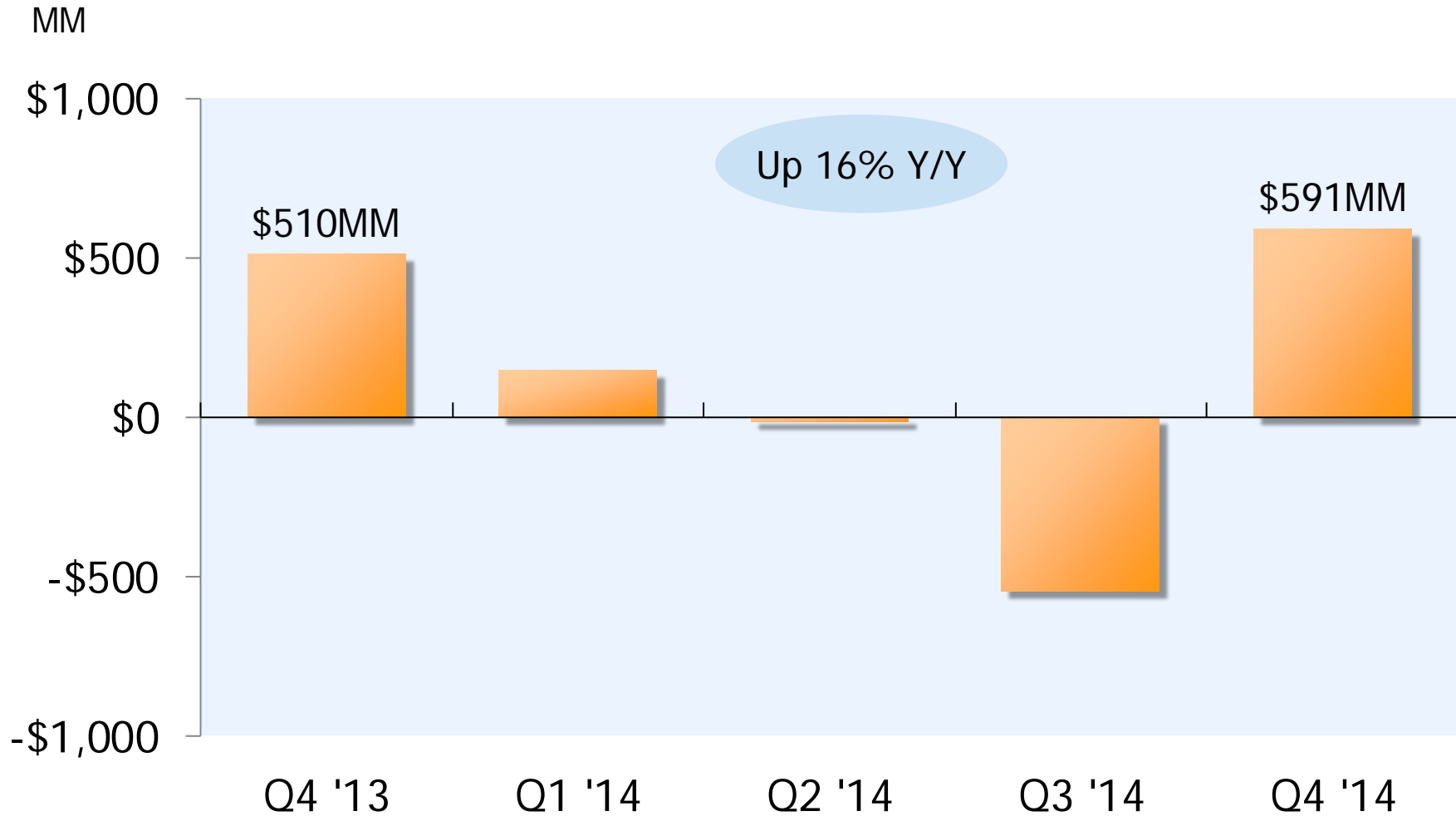


WW Revenue Mix

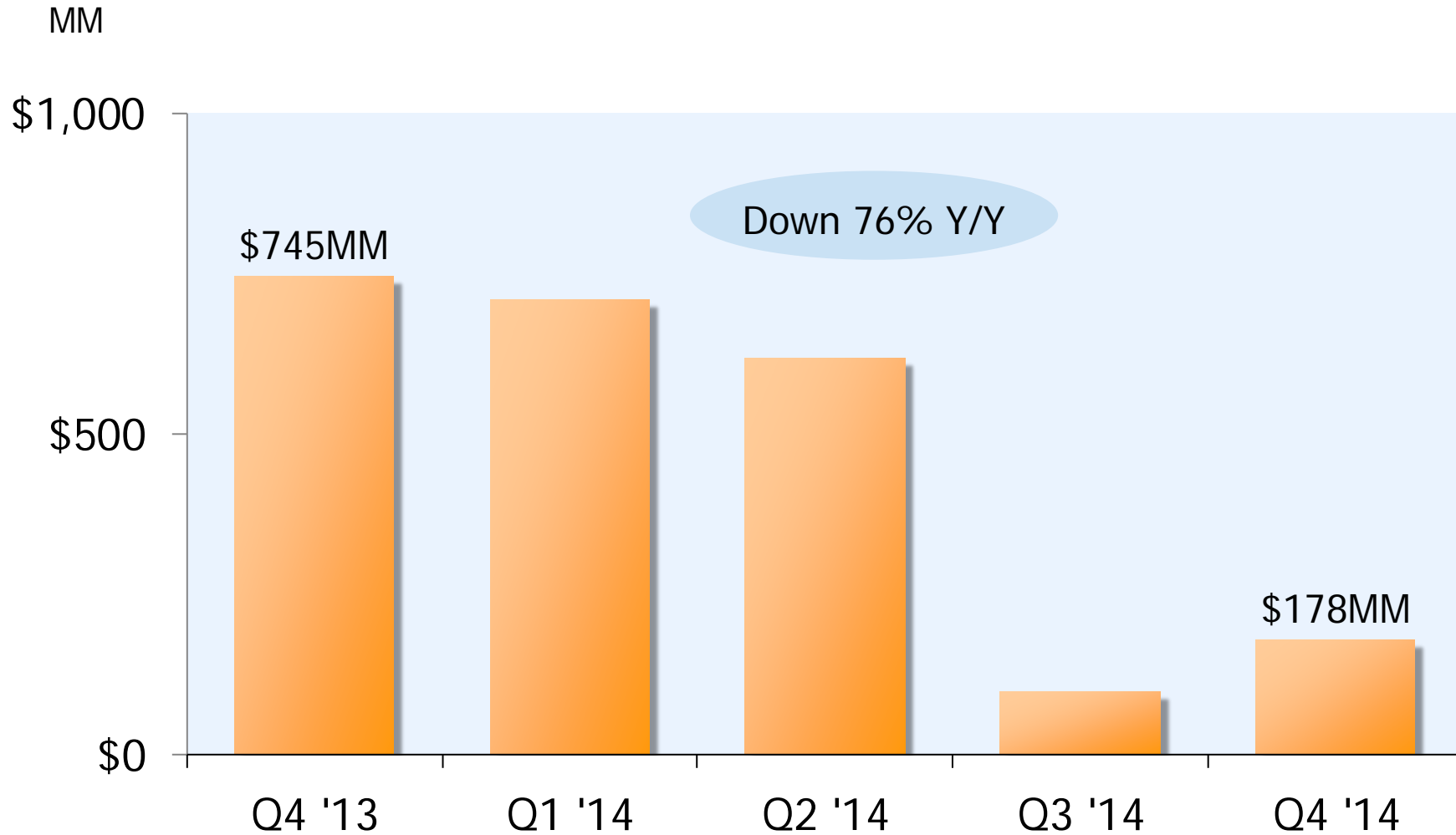


68% of WW TTM Revenue from EGM, Up from 66% Y/Y

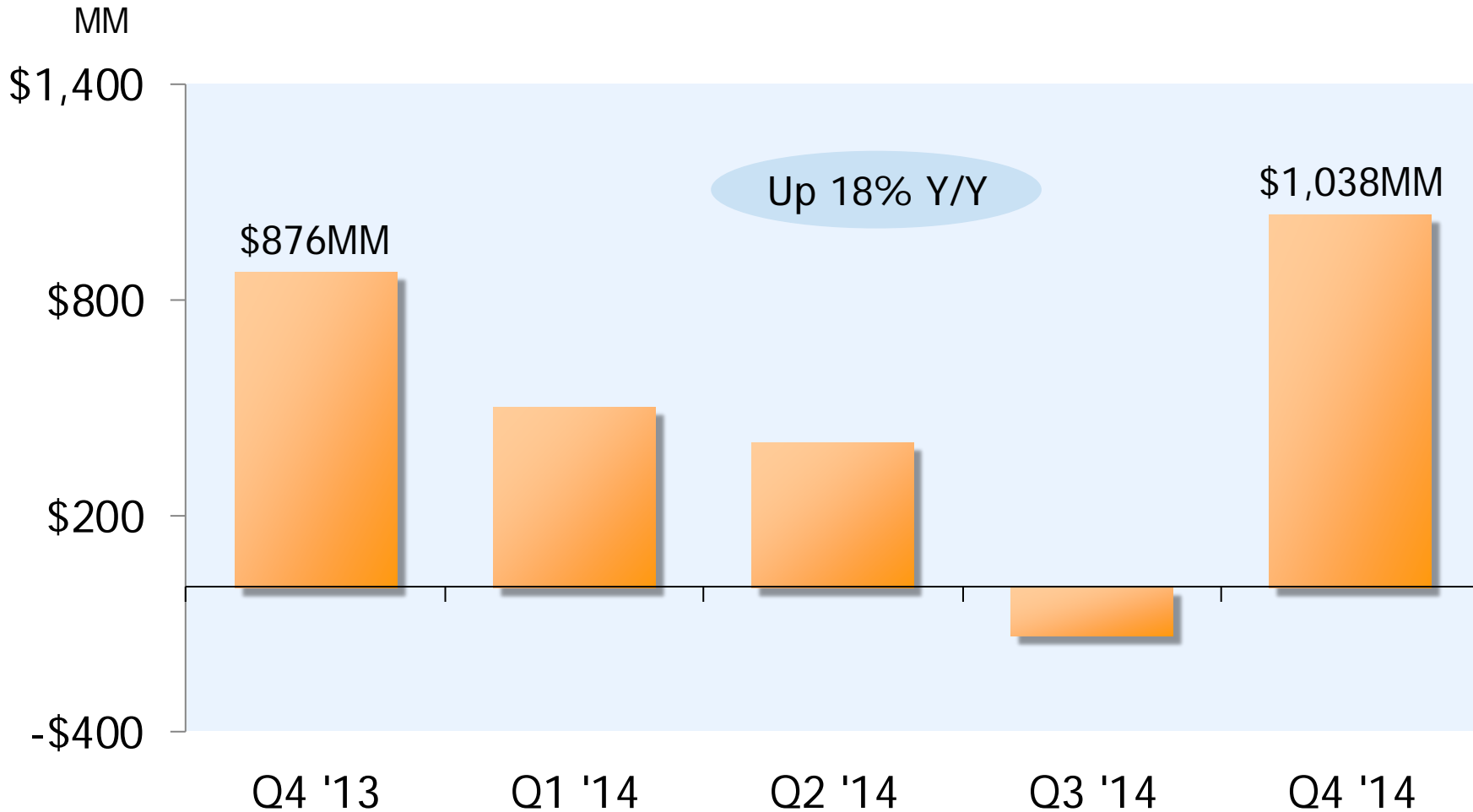
GAAP Operating Income (Loss)



GAAP Operating Income – TTM

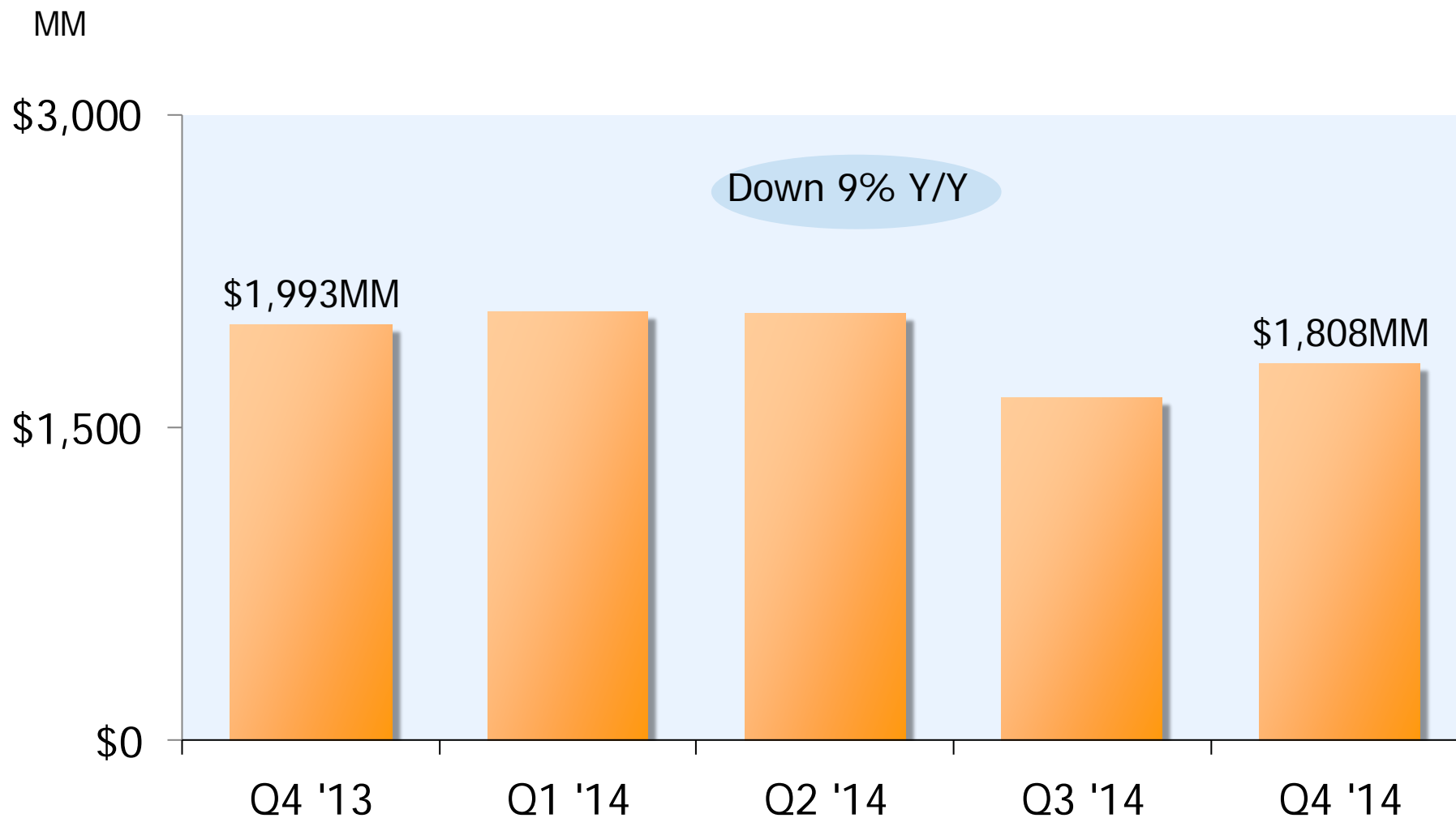


Consolidated Segment Operating Income (Loss) ⁽¹⁾



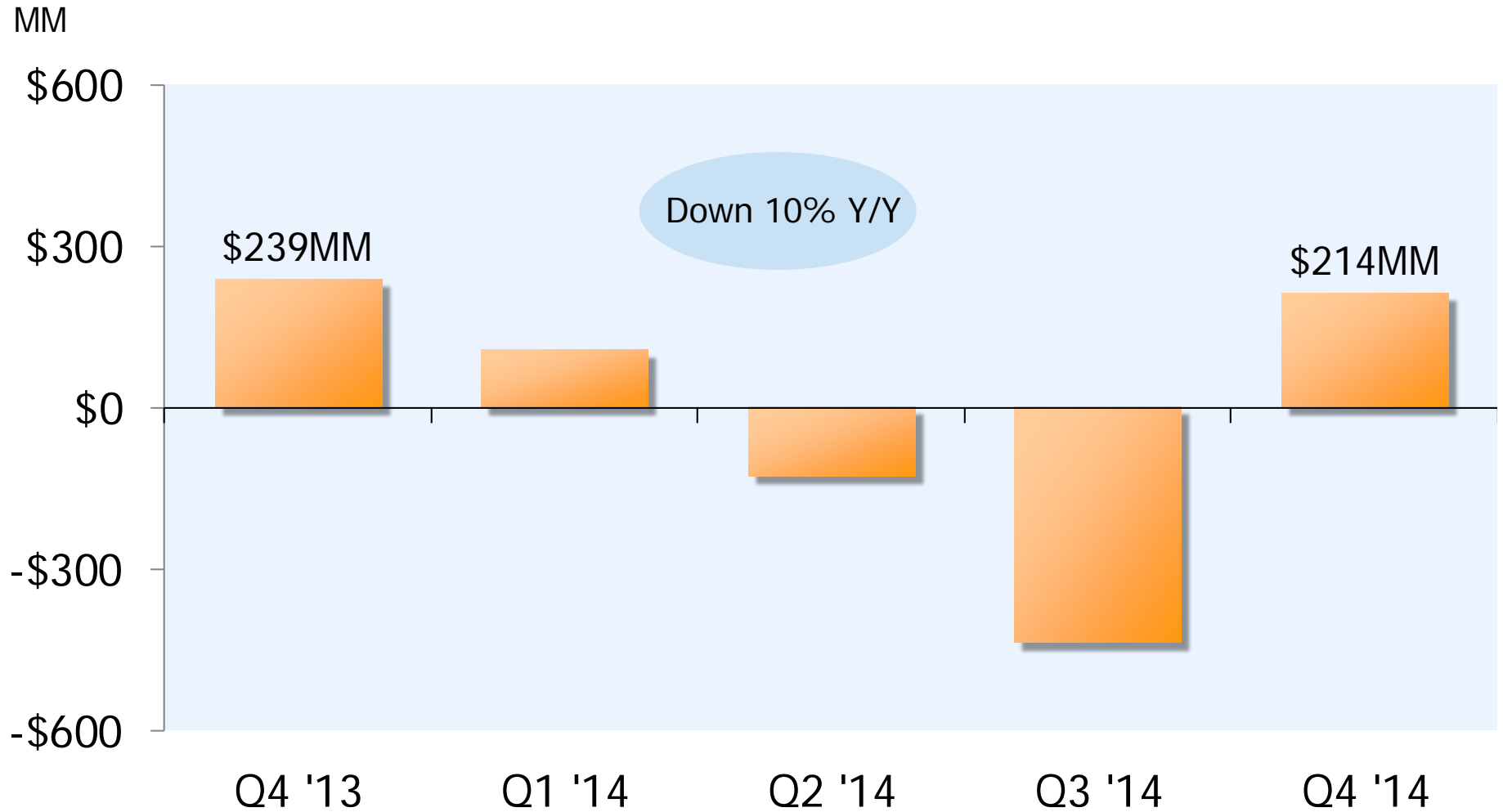
(1) Consolidated Segment Operating Income (CSOI), a non-GAAP financial measure, excludes Stock-Based Compensation and Other Operating Income (Expense). See appendix for a reconciliation of CSOI to GAAP Operating Income.

Consolidated Segment Operating Income -- TTM ⁽¹⁾



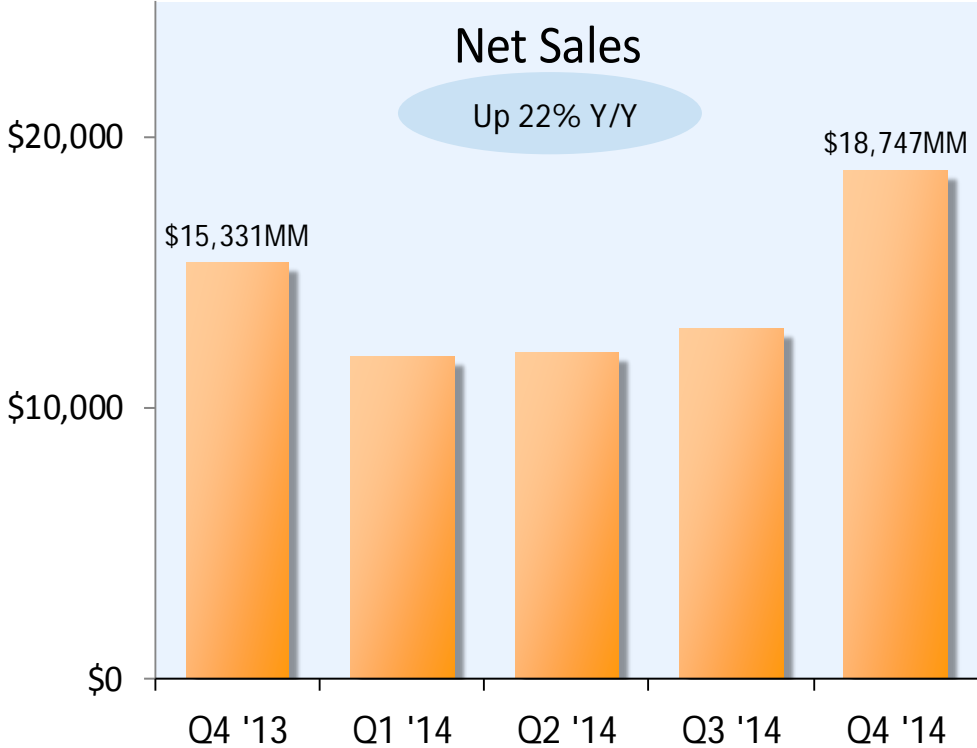
(1) Consolidated Segment Operating Income (CSOI), a non-GAAP financial measure, excludes Stock-Based Compensation and Other Operating Income (Expense). See appendix for a reconciliation of CSOI to GAAP Operating Income.

GAAP Net Income (Loss)

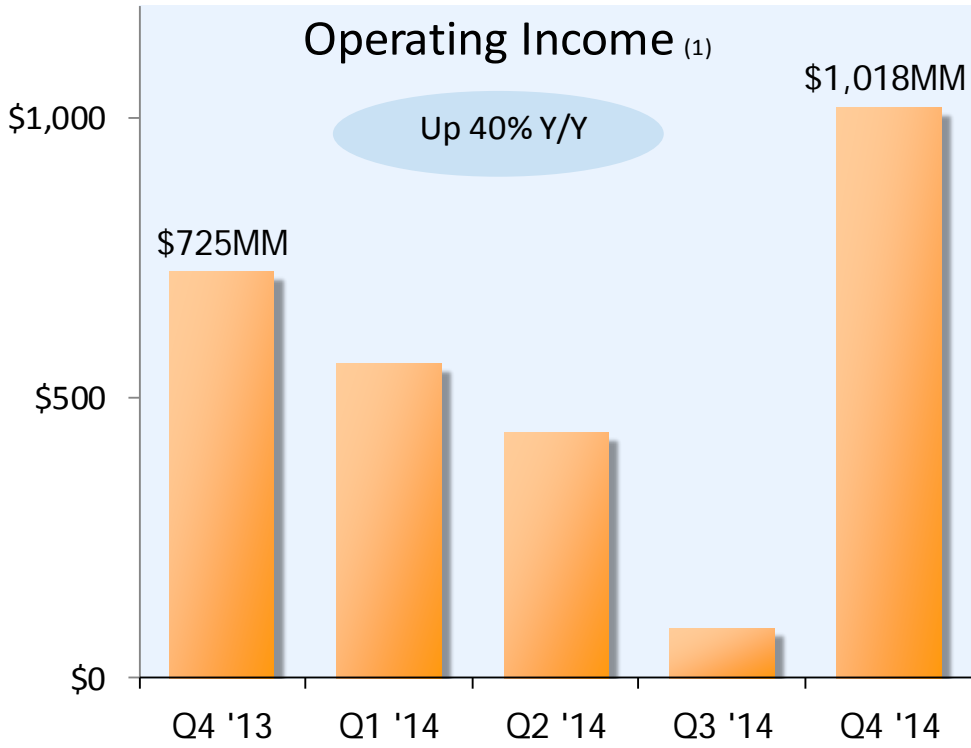


Segment Results – North America

MM



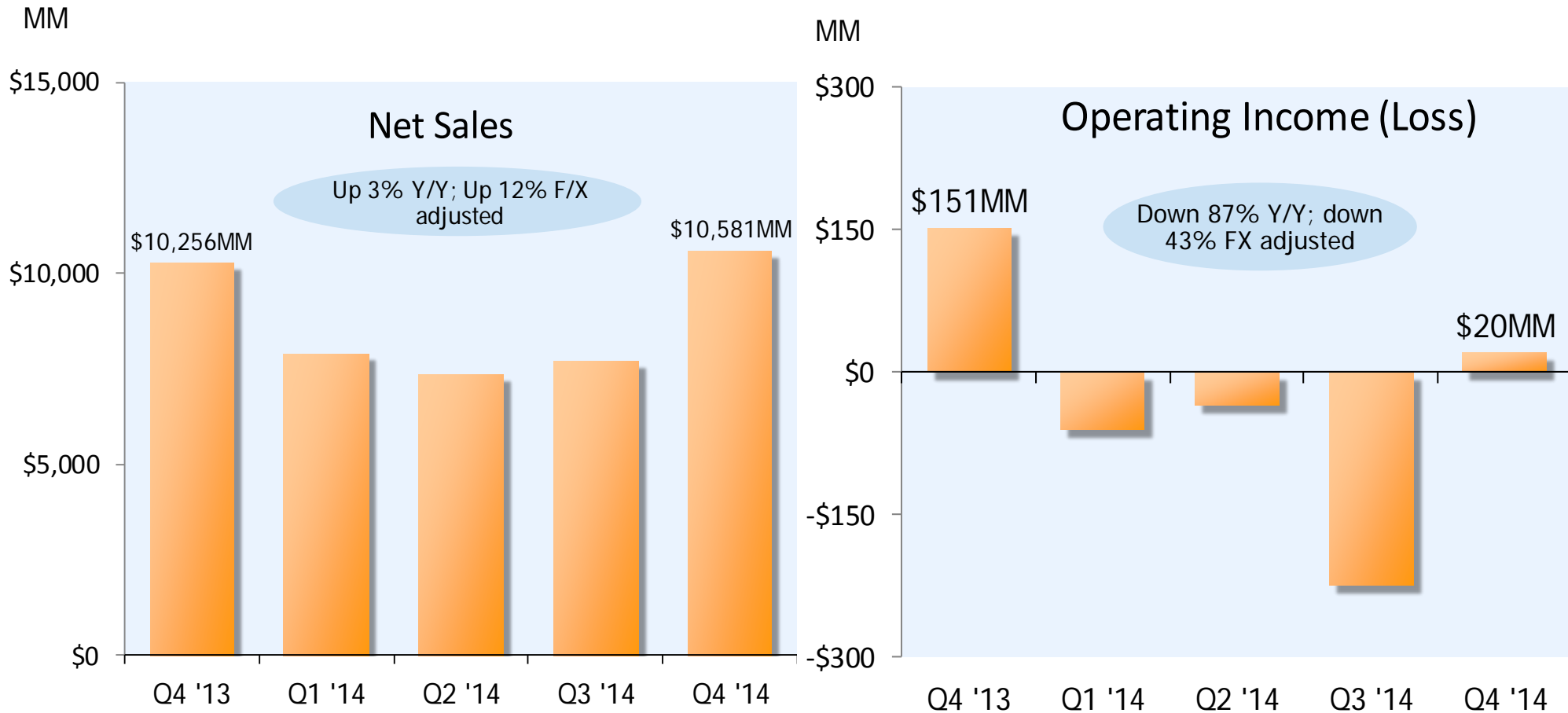
MM



TTM Net Sales \$55.5B

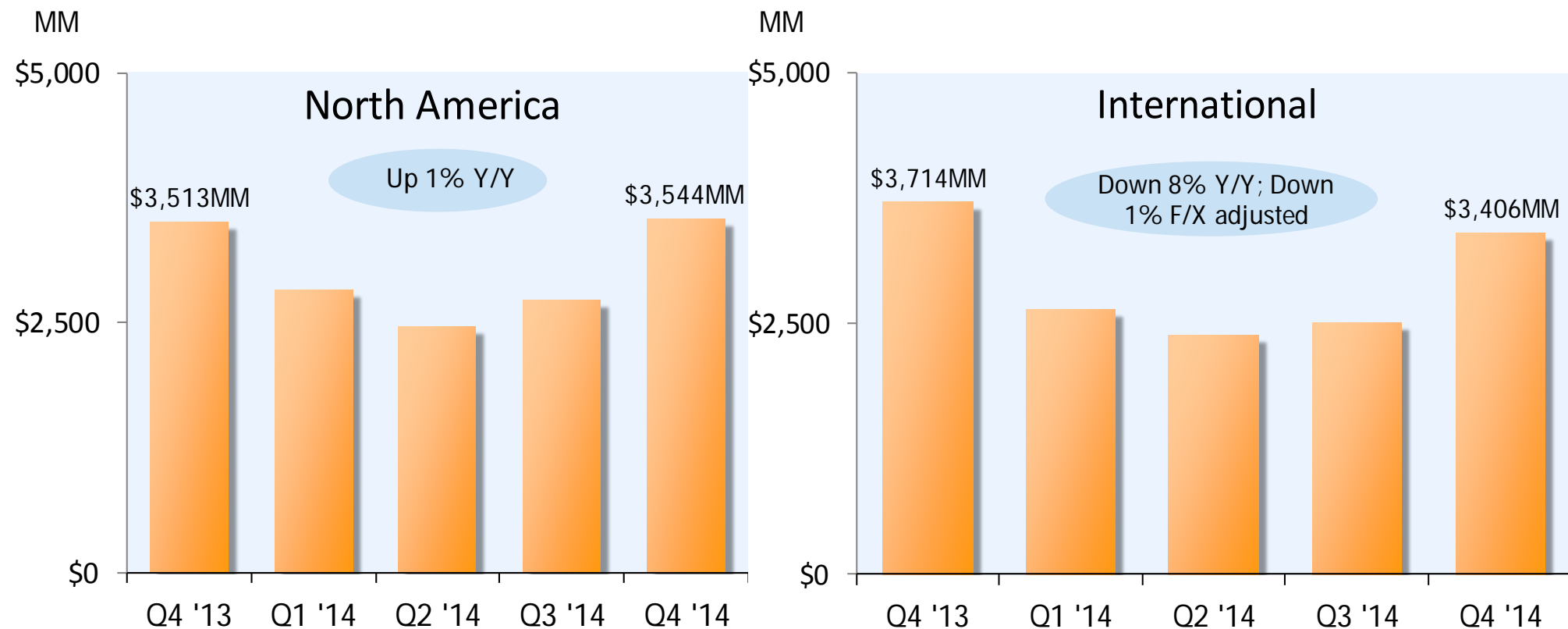
(1) A majority of our costs for "Technology and Content" are incurred in the United States and included in our North America segment.

Segment Results – International



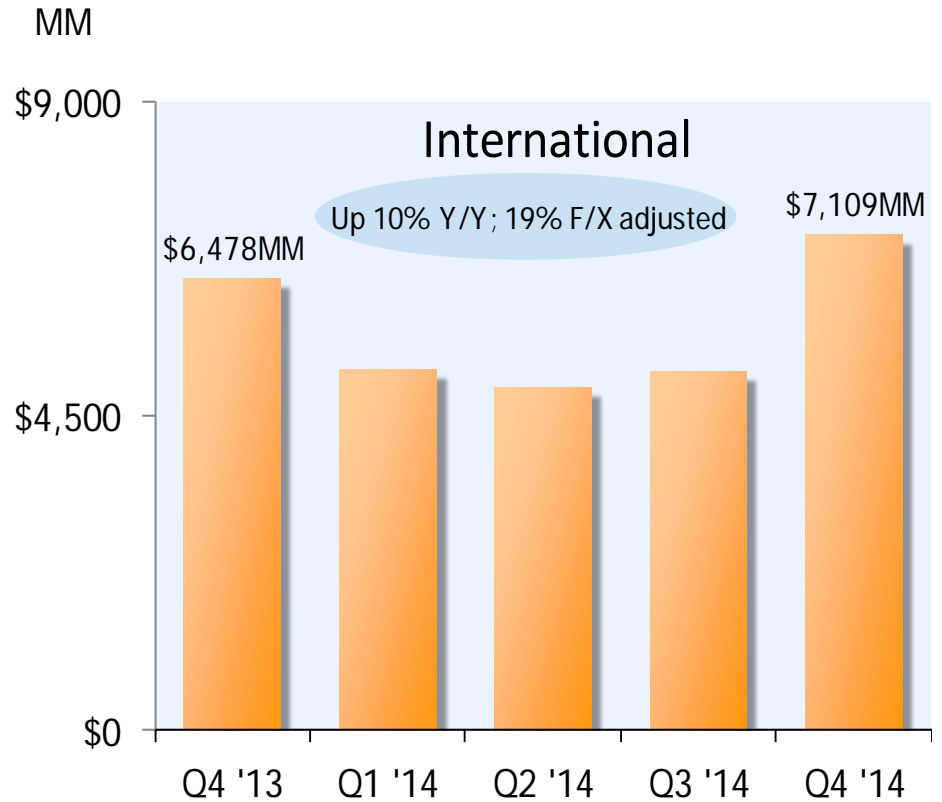
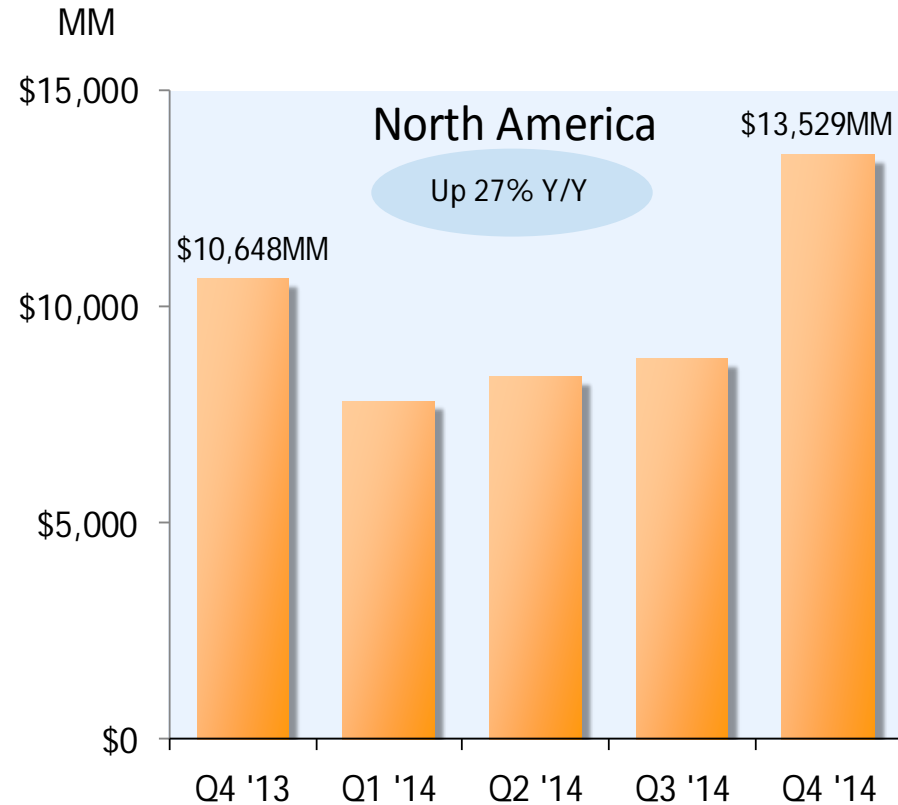
TTM Net Sales \$33.5B

Supplemental Revenue Highlights – Media



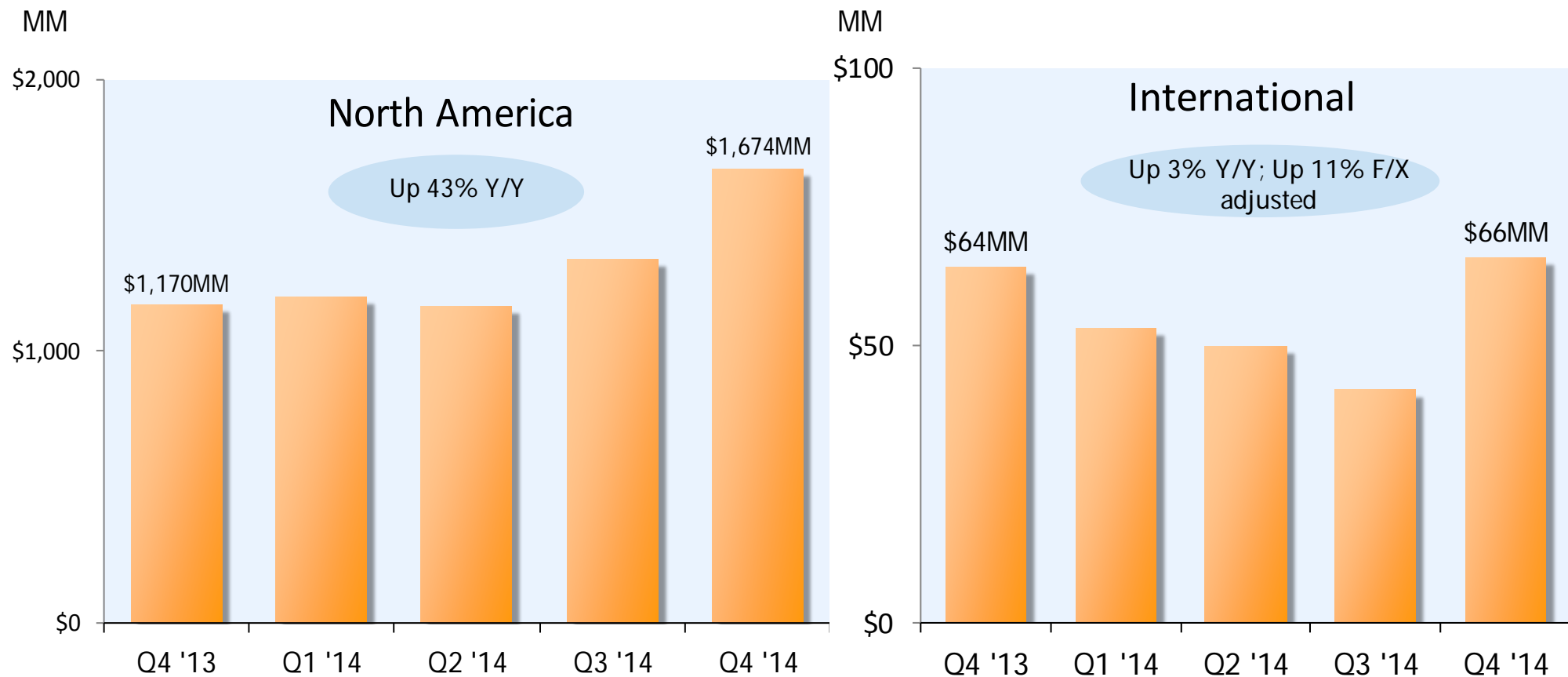
Books, Music, Movies, Video Games and Consoles, Software, and Digital Downloads

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 (North America), Advertising Services,
and Co-branded Credit Cards

amazon.com

The Amazon logo, a curved orange arrow pointing from the letter 'a' to the letter 'z', is positioned below the text 'amazon.com'.

Appendix

Free Cash Flow Reconciliation -- TTM

	<u>Q4 '13</u>	<u>Q1 '14</u>	<u>Q2 '14</u>	<u>Q3 '14</u>	<u>Q4 '14</u>
\$MM					
Operating Cash Flow	\$ 5,475	\$ 5,345	\$ 5,327	\$ 5,705	\$ 6,842
Purchases of Property and Equipment, Including Internal-Use Software and Website Development	<u>(3,444)</u>	<u>(3,854)</u>	<u>(4,288)</u>	<u>(4,628)</u>	<u>(4,893)</u>
Free Cash Flow	<u>\$ 2,031</u>	<u>\$ 1,491</u>	<u>\$ 1,039</u>	<u>\$ 1,077</u>	<u>\$ 1,949</u>

Free Cash Flow Less Lease Principal Repayments – TTM ⁽¹⁾

	<u>Q4 '13</u>	<u>Q1 '14</u>	<u>Q2 '14</u>	<u>Q3 '14</u>	<u>Q4 '14</u>
\$MM					
Operating Cash Flow	\$ 5,475	\$ 5,345	\$ 5,327	\$ 5,705	\$ 6,842
Purchases of property and equipment, including internal-use software and website development	(3,444)	(3,854)	(4,288)	(4,628)	(4,893)
Principal repayments of capital lease obligations	(775)	(863)	(969)	(1,103)	(1,285)
Principal repayments of finance lease obligations	<u>(5)</u>	<u>(47)</u>	<u>(60)</u>	<u>(73)</u>	<u>(135)</u>
Free Cash Flow Less Lease Principal Repayments	<u>\$ 1,251</u>	<u>\$ 581</u>	<u>\$ 10</u>	<u>\$ (99)</u>	<u>\$ 529</u>

(1) "Free cash flow less lease principal repayments" is a non-GAAP financial measure that is defined as net cash provided by operating activities, less (i) purchases of property and equipment, including internal-use software and website development, (ii) principal repayments of capital lease obligations, and (iii) principal repayments of finance lease obligations.

Free Cash Flow Less Finance Principal Lease Repayments and Capital Acquired Under Capital Leases – TTM ⁽¹⁾

	<u>Q4 '13</u>	<u>Q1 '14</u>	<u>Q2 '14</u>	<u>Q3 '14</u>	<u>Q4 '14</u>
\$MM					
Operating Cash Flow	\$ 5,475	\$ 5,345	\$ 5,327	\$ 5,705	\$ 6,842
Purchases of property and equipment, including internal-use software and website development	(3,444)	(3,854)	(4,288)	(4,628)	(4,893)
Property and equipment acquired under capital lease	(1,867)	(2,243)	(2,716)	(3,347)	(4,008)
Principal repayments of finance lease obligations	<u>(5)</u>	<u>(47)</u>	<u>(60)</u>	<u>(73)</u>	<u>(135)</u>
Free Cash Flow Less Finance Principal Lease Repayments and Capital Acquired Under Capital Leases	<u>\$ 159</u>	<u>\$ (799)</u>	<u>\$ (1,737)</u>	<u>\$ (2,343)</u>	<u>\$ (2,194)</u>

(1) "Free cash flow less finance principal lease repayments and capital acquired under capital leases" is a non-GAAP financial measure that is defined as net cash provided by operating activities, less (i) purchases of property and equipment, including internal-use software and website development, (ii) property and equipment acquired under capital leases, and (iii) principal repayments of finance lease obligations.

Consolidated Segment Operating Income (Loss) Reconciliation

\$MM	<u>Q4 '13</u>	<u>Q1 '14</u>	<u>Q2 '14</u>	<u>Q3 '14</u>	<u>Q4 '14</u>
Consolidated Segment Operating Income (Loss)	\$ 876	\$ 502	\$ 404	\$ (136)	\$ 1,038
Stock-Based Compensation	(326)	(321)	(391)	(377)	(408)
Other Operating Income (Expense), Net	<u>(40)</u>	<u>(35)</u>	<u>(28)</u>	<u>(31)</u>	<u>(39)</u>
GAAP Operating Income (Loss)	<u>\$ 510</u>	<u>\$ 146</u>	<u>\$ (15)</u>	<u>\$ (544)</u>	<u>\$ 591</u>

Consolidated Segment Operating Income Reconciliation - TTM

\$MM	<u>Q4 '13</u>	<u>Q1 '14</u>	<u>Q2 '14</u>	<u>Q3 '14</u>	<u>Q4 '14</u>
Consolidated Segment Operating Income	\$ 1,993	\$ 2,055	\$ 2,049	\$ 1,647	\$ 1,808
Stock-Based Compensation	(1,134)	(1,227)	(1,318)	(1,414)	(1,497)
Other Operating Income (Expense), Net	<u>(114)</u>	<u>(118)</u>	<u>(114)</u>	<u>(136)</u>	<u>(133)</u>
GAAP Operating Income	<u>\$ 745</u>	<u>\$ 710</u>	<u>\$ 617</u>	<u>\$ 97</u>	<u>\$ 178</u>