

amazon.com

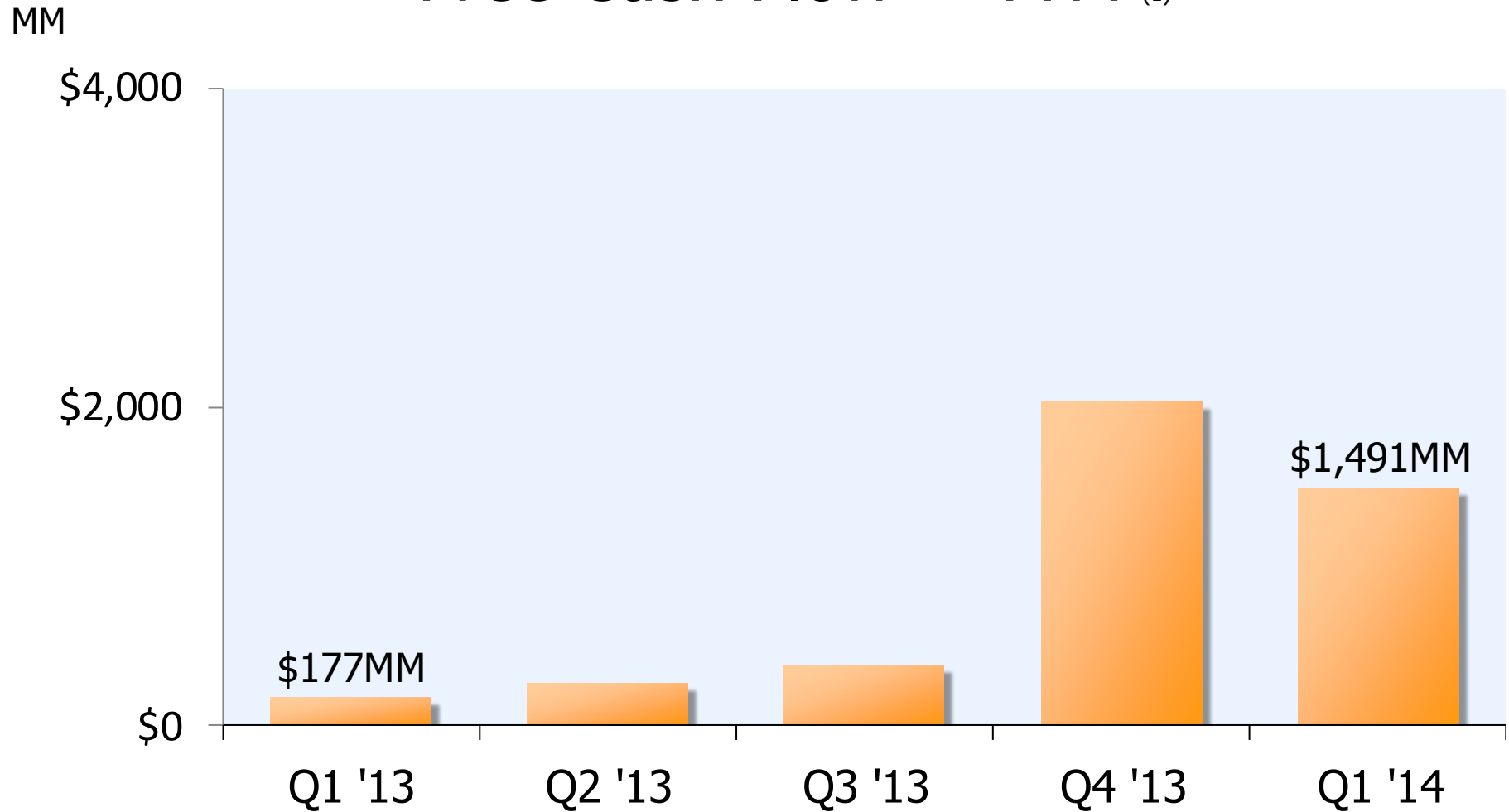
The Amazon logo, a curved orange arrow pointing from the letter 'a' to the letter 'z', is positioned below the text 'amazon.com'.

**Q1 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 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⁾

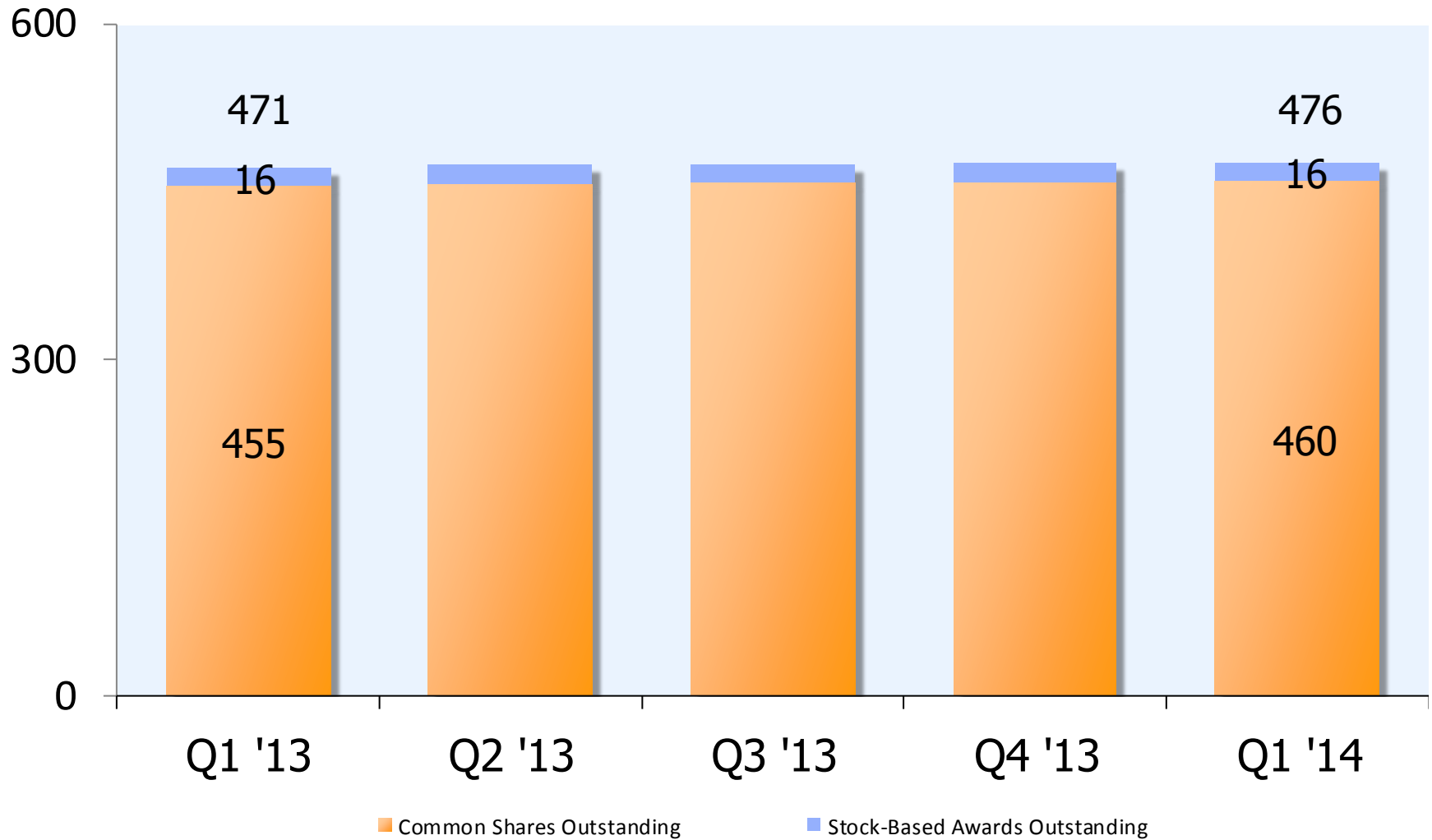


Long Term Goal – Optimize Free Cash Flow

(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.

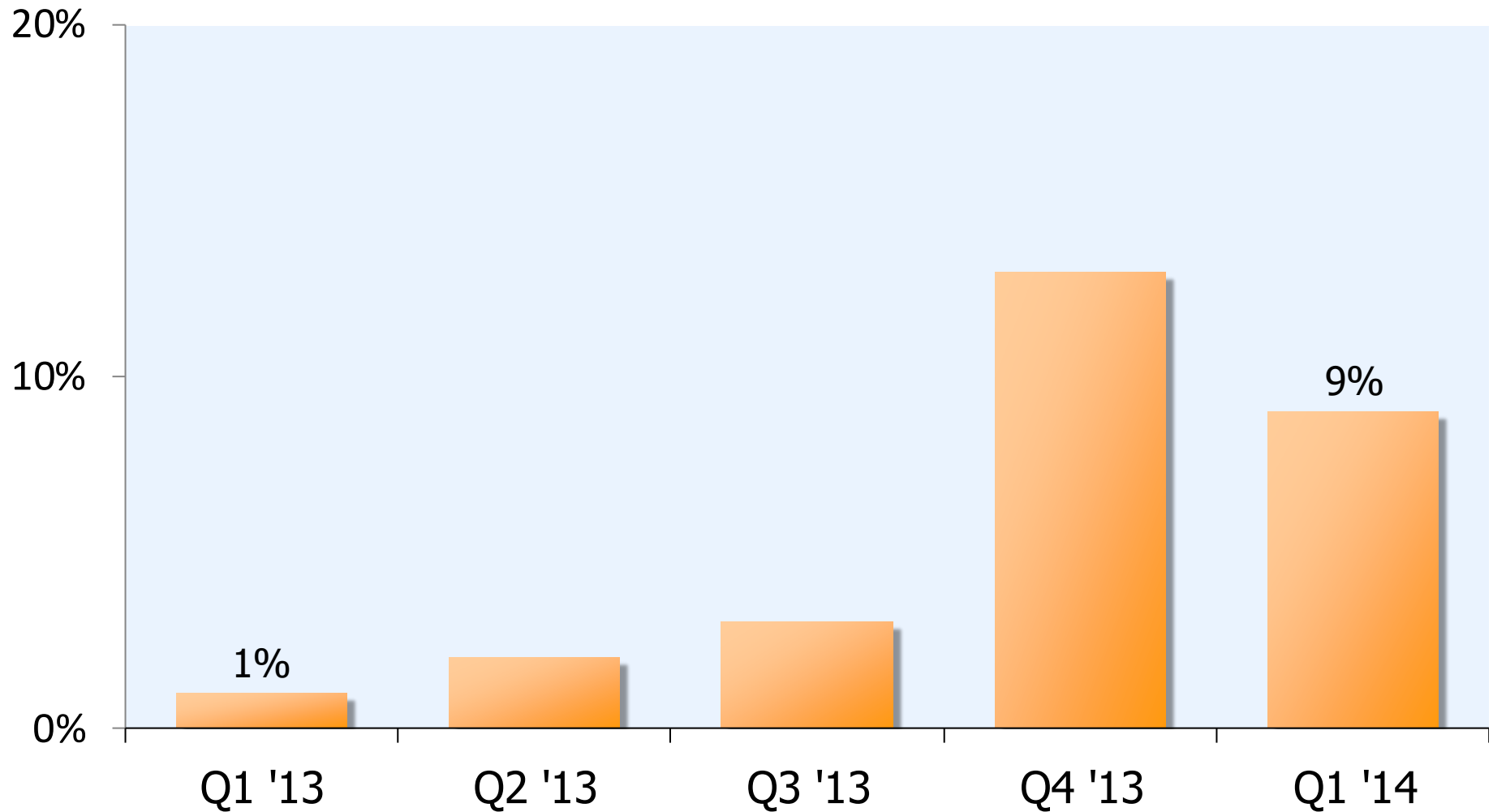
Shares

MM



Efficiently Managing Dilution

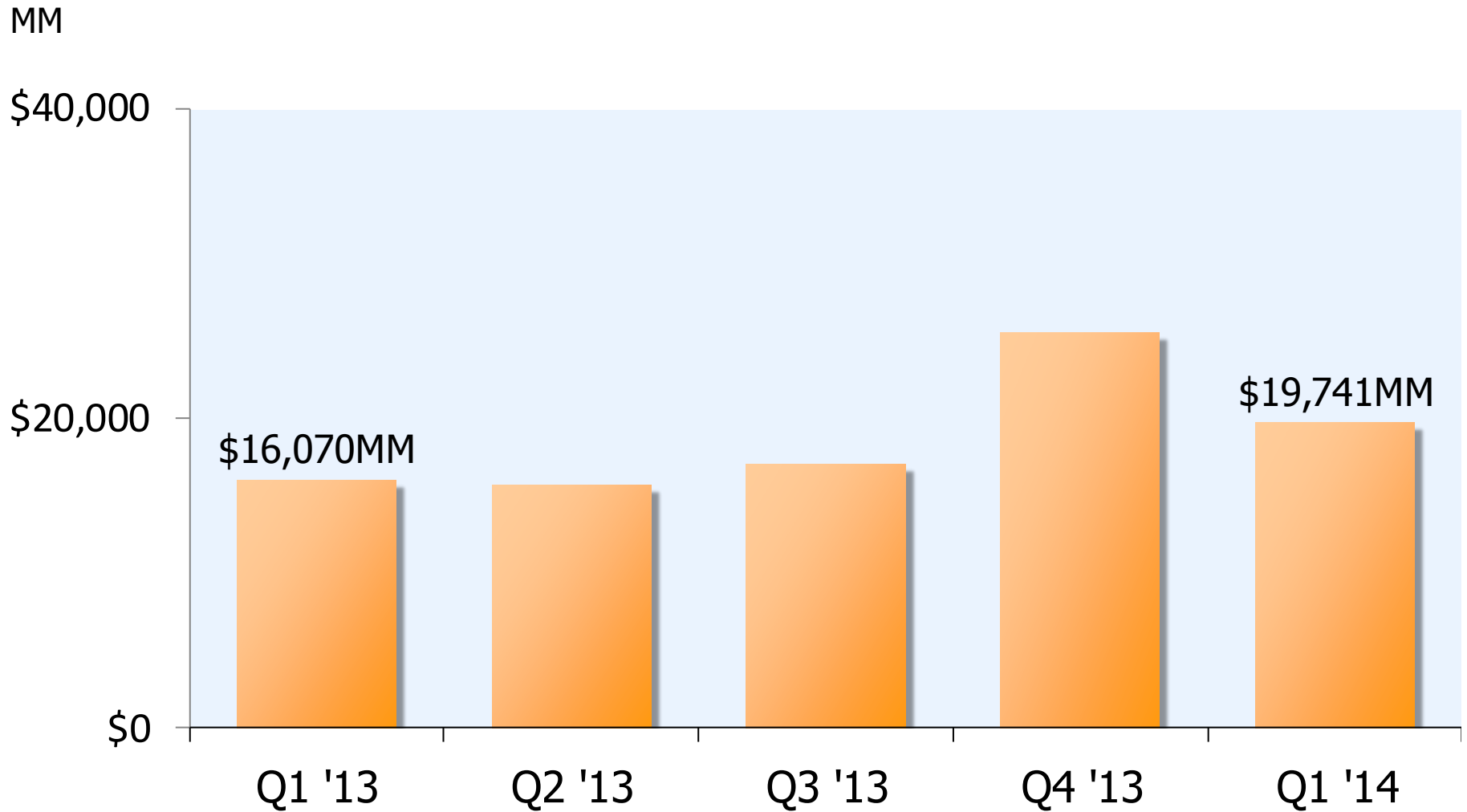
Return on Invested Capital -- TTM ⁽¹⁾



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.

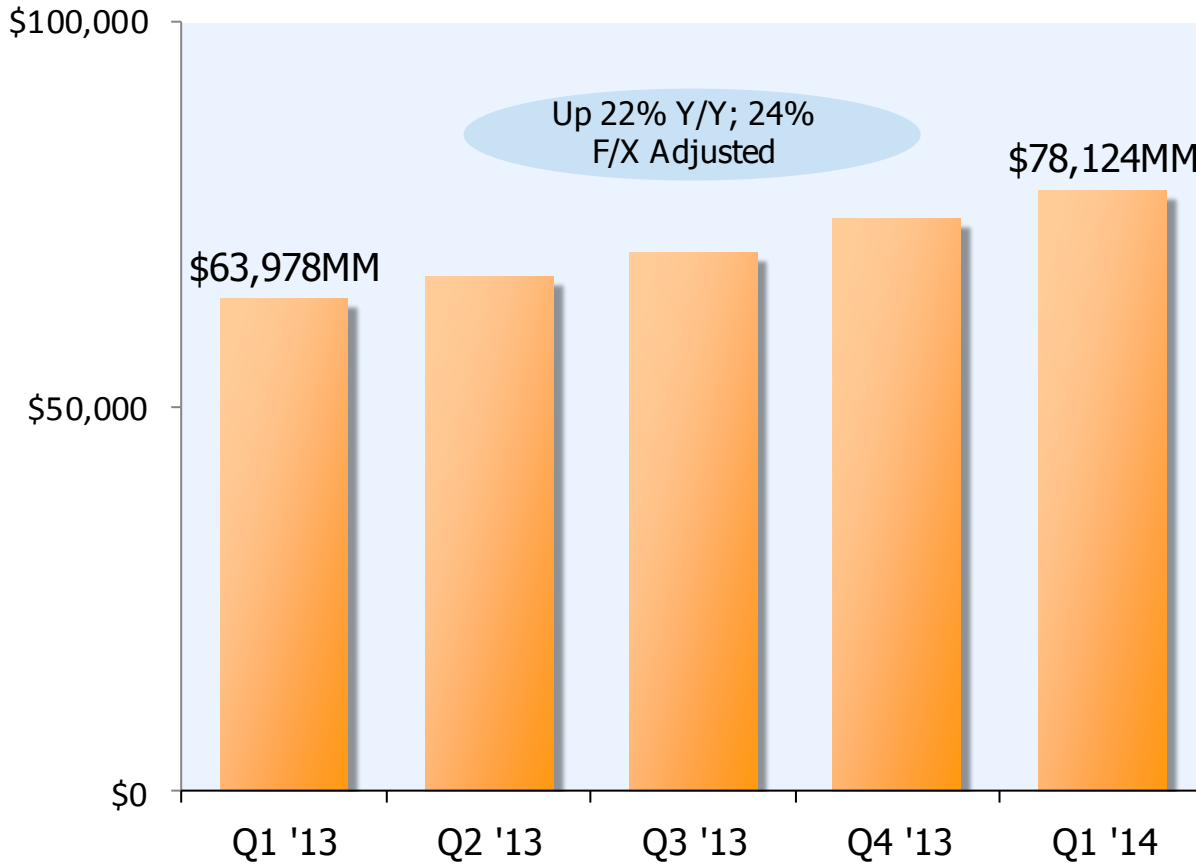
Net Sales



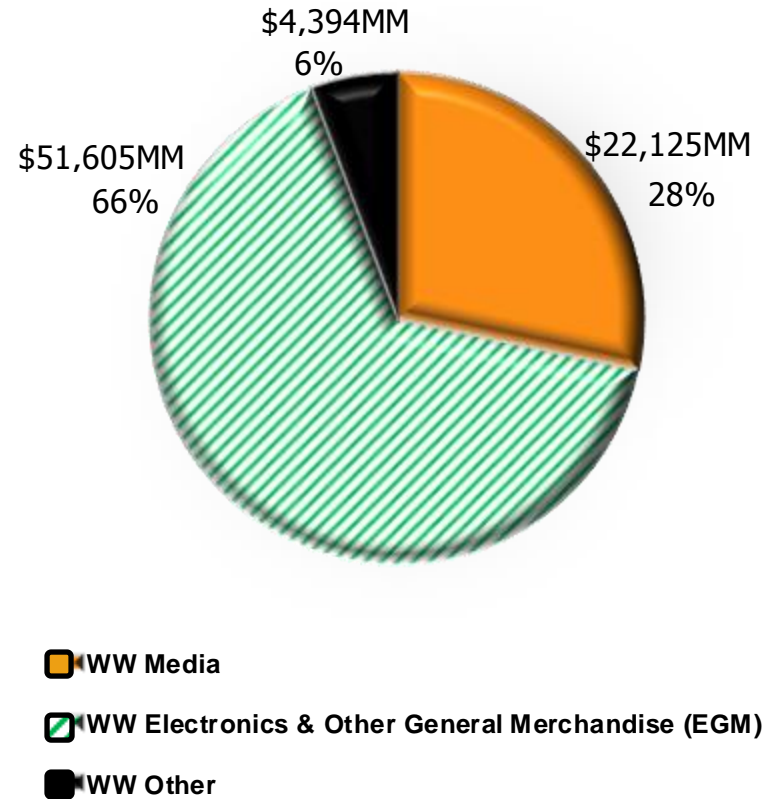
Up 23% Y/Y (23% F/X Adjusted)

Net Sales -- TTM

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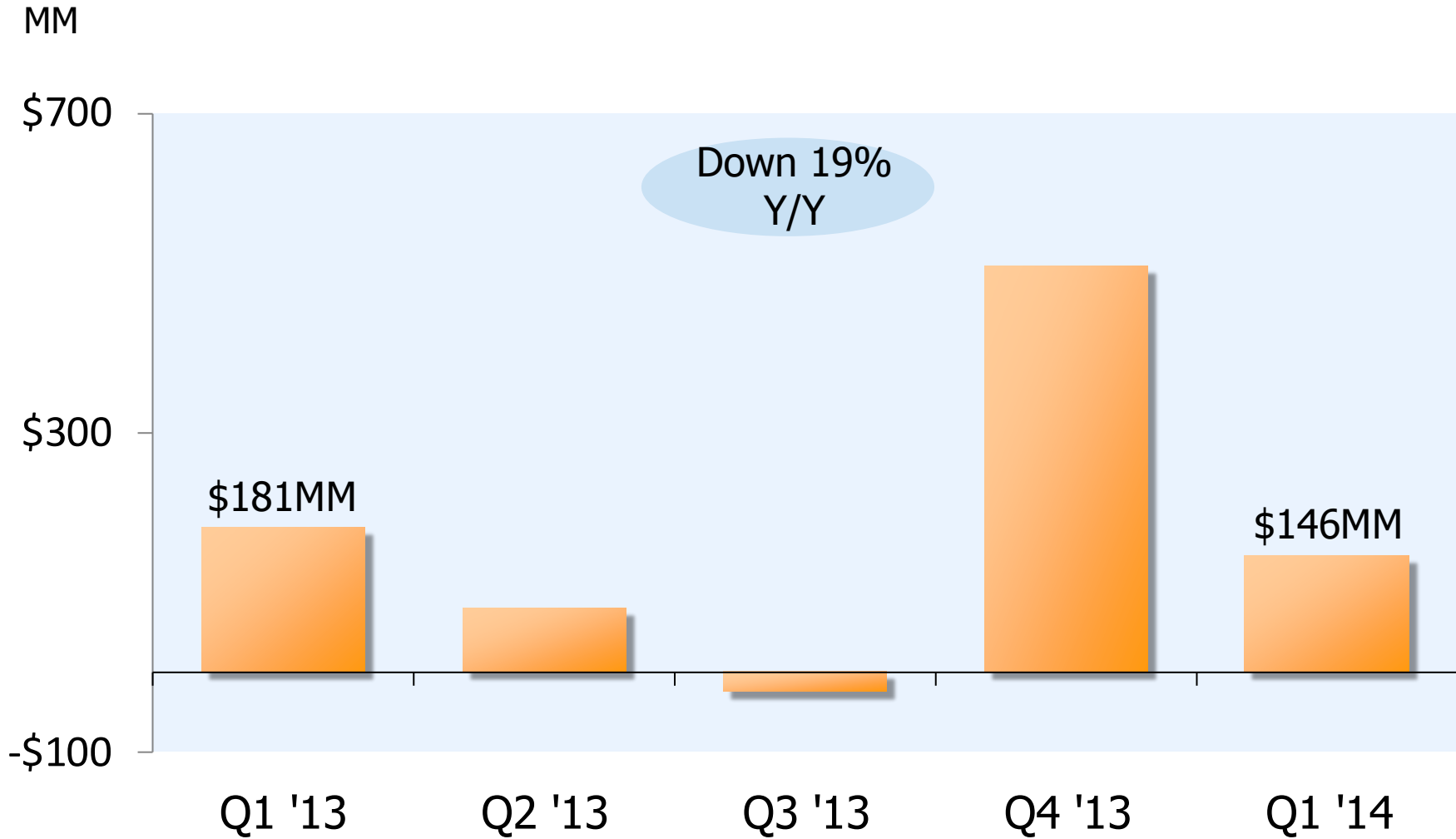


WW Revenue Mix

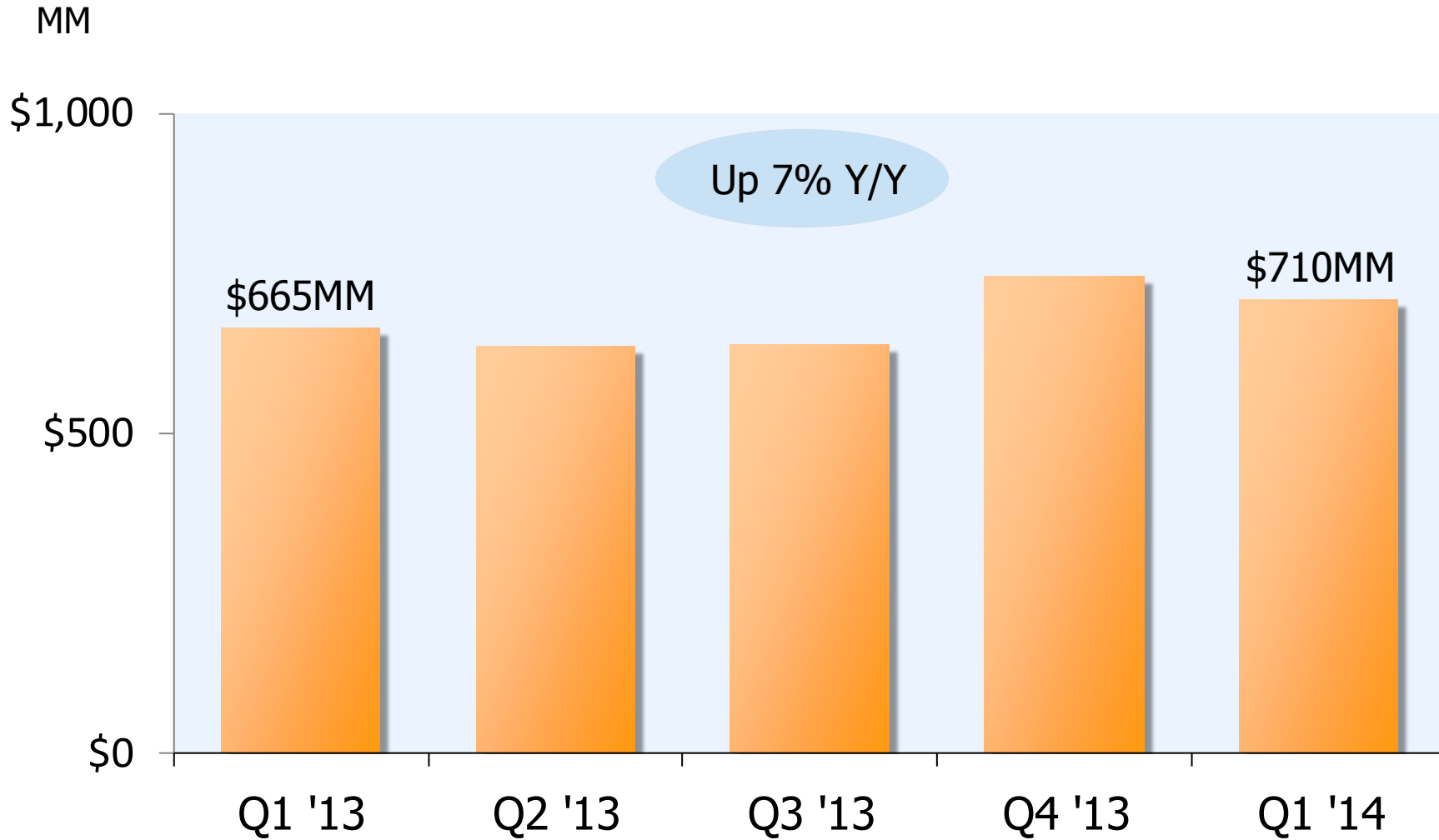


66% of WW TTM Revenue from EGM, Up from 64% Y/Y

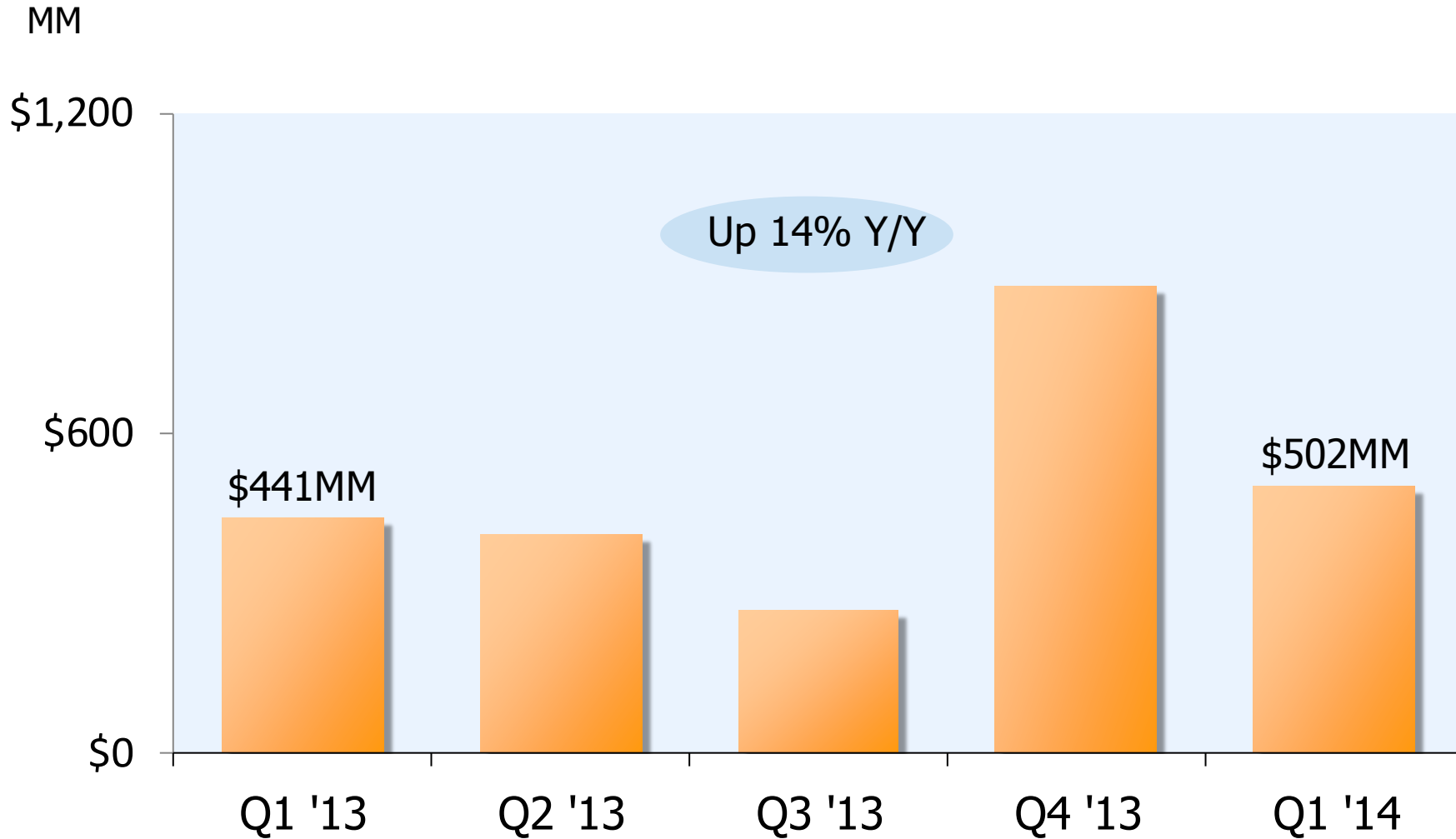
GAAP Operating Income (Loss)



GAAP Operating Income – TTM

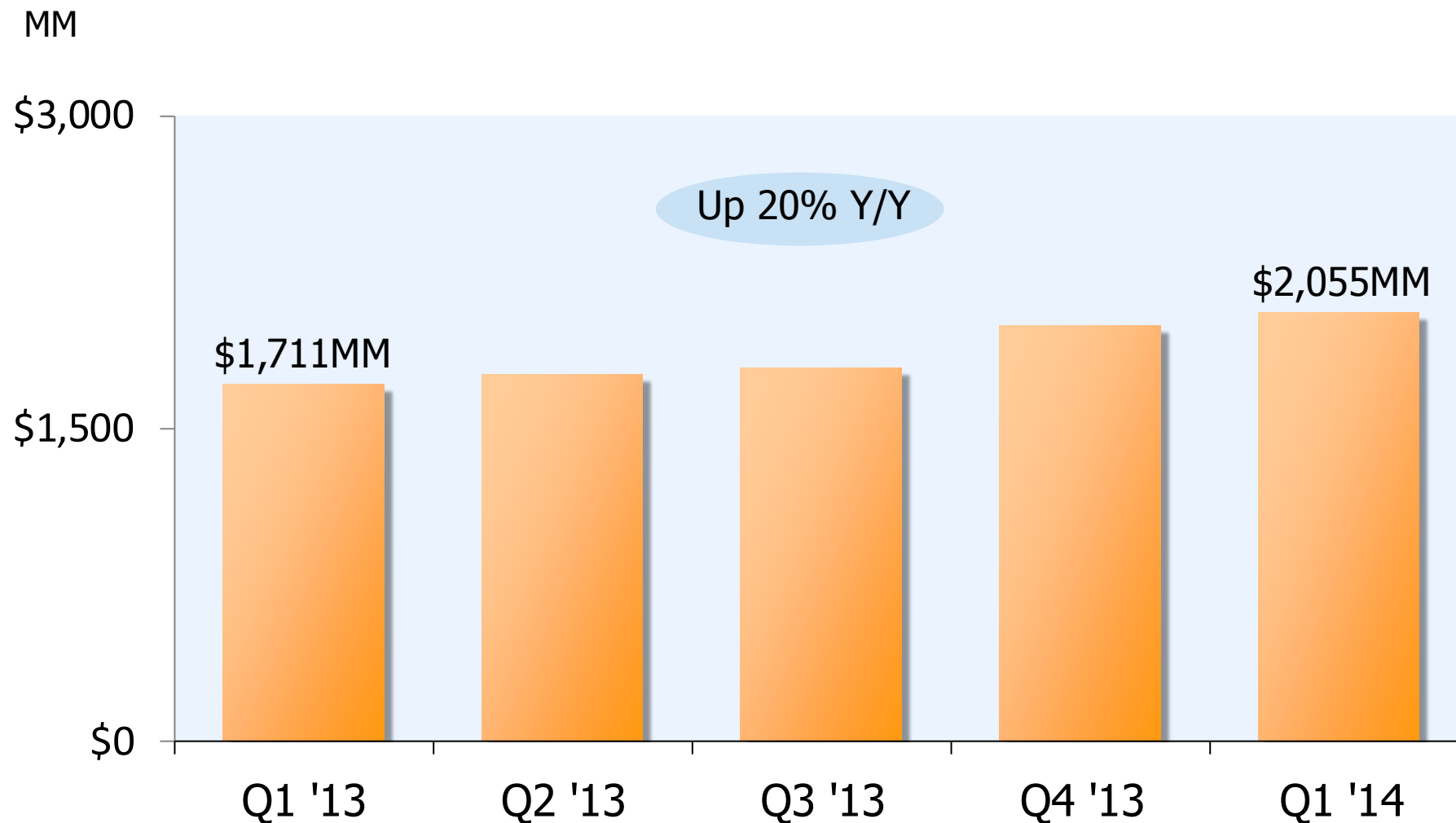


Consolidated Segment Operating Income ⁽¹⁾



(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.

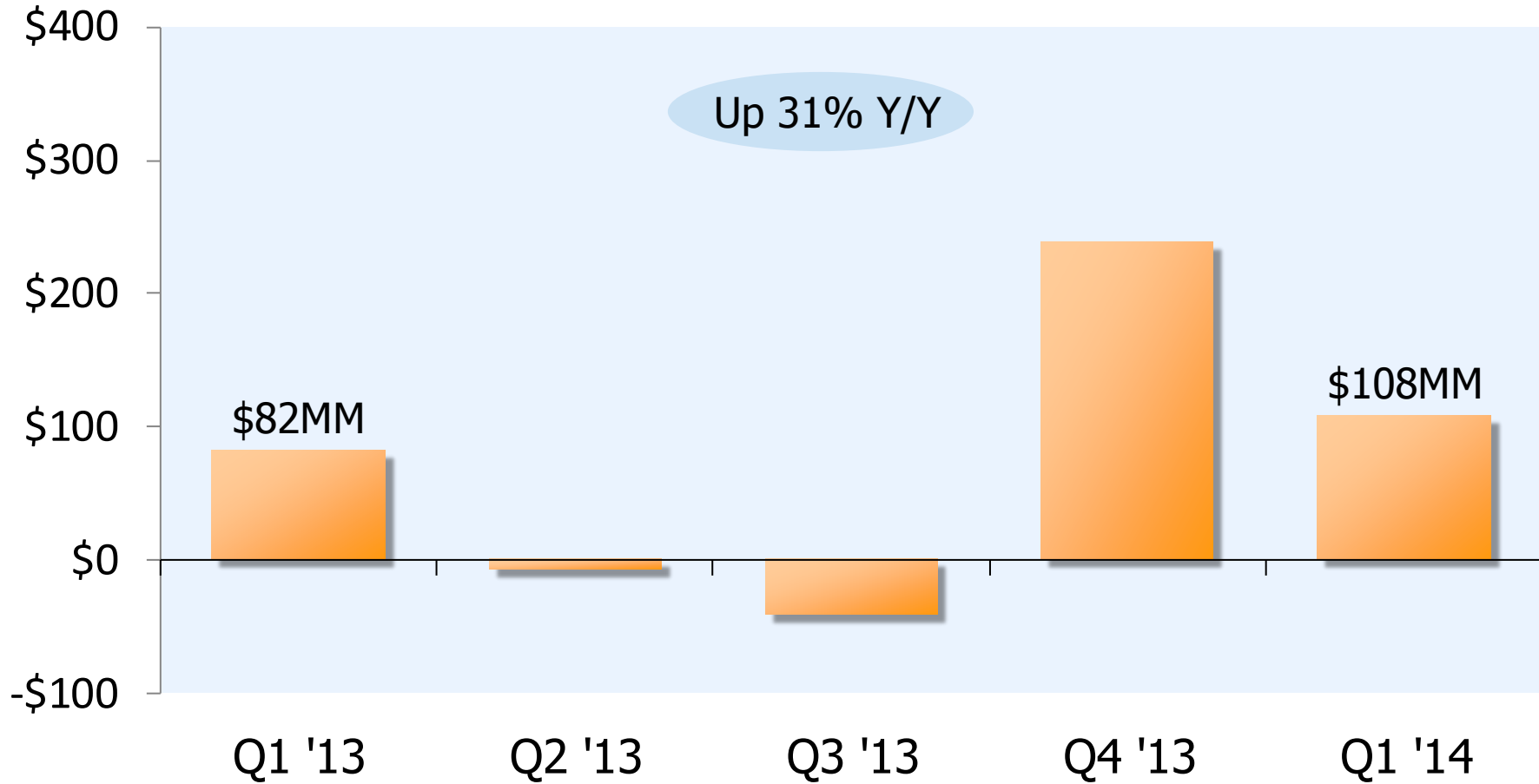
Consolidated Segment Operating Income -- TTM ⁽¹⁾



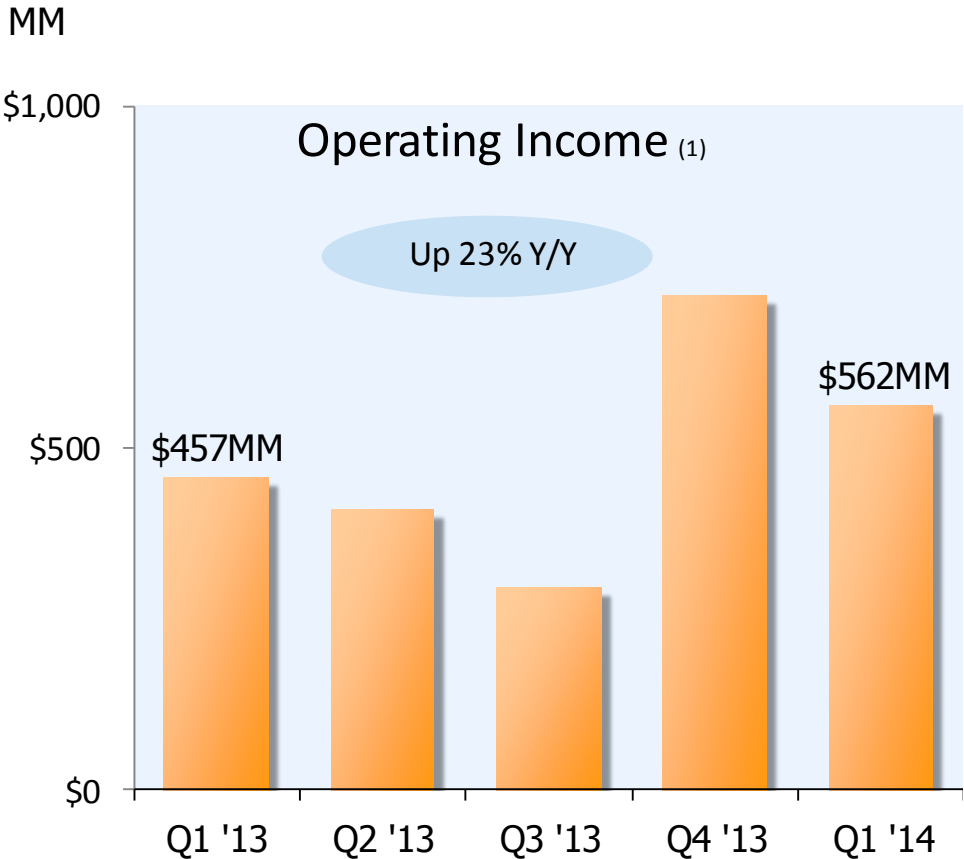
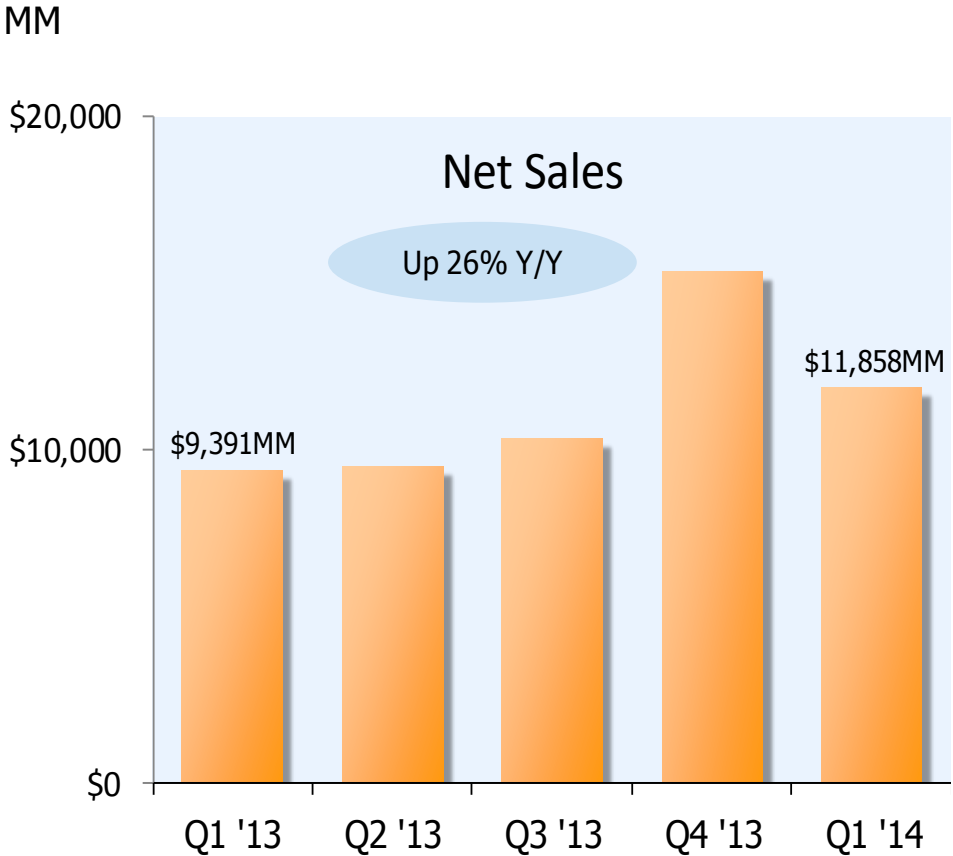
(1) Consolidated Segment Operating Income (CSOI), a non-GAAP financial measure, excludes Stock-Based Compensation and Other Operating Income (Expense). See appendix for a reconciliation of CSOI to GAAP Operating Income.

GAAP Net Income (Loss)

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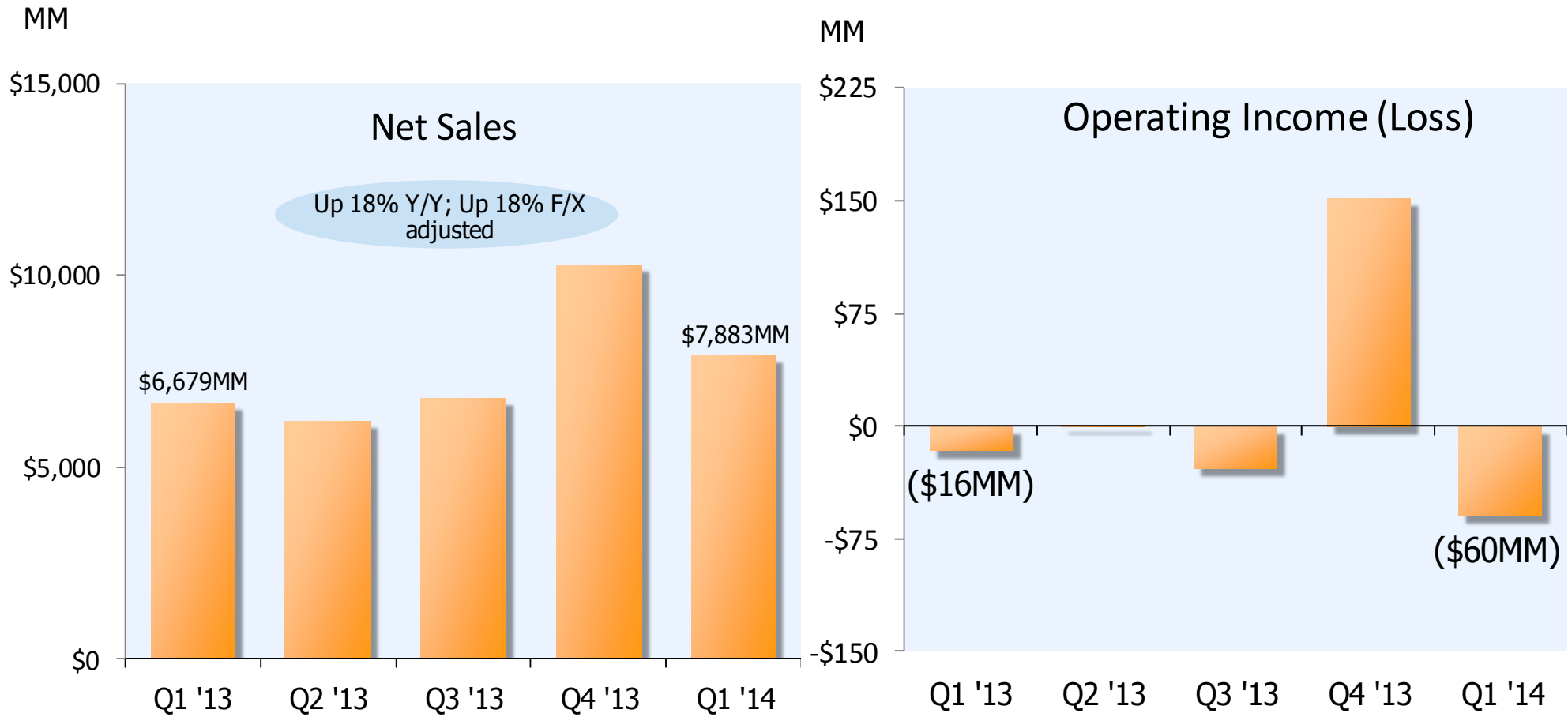
Segment Results – North America



TTM Net Sales \$47.0B

(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.

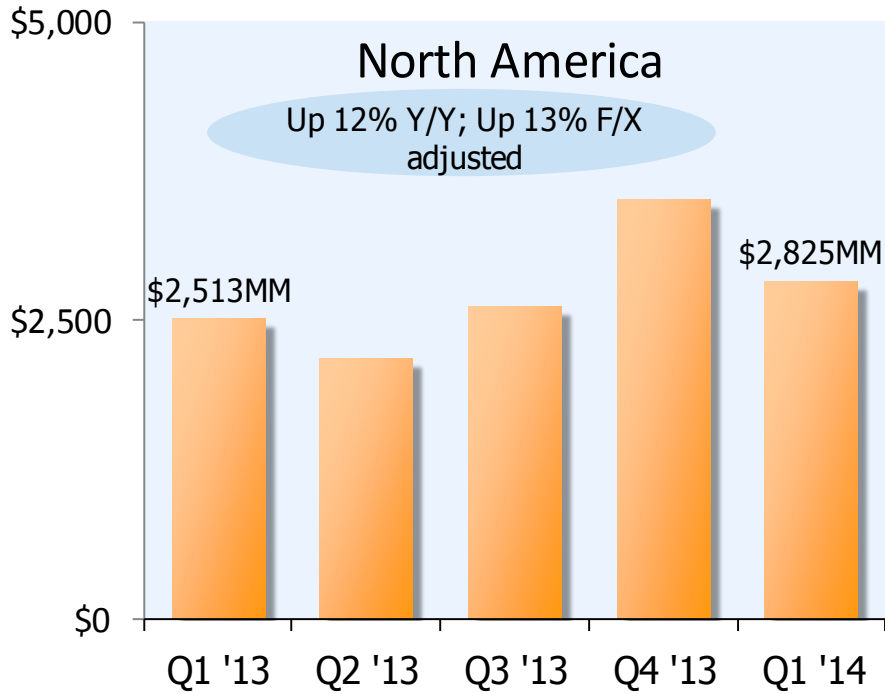
Segment Results – International



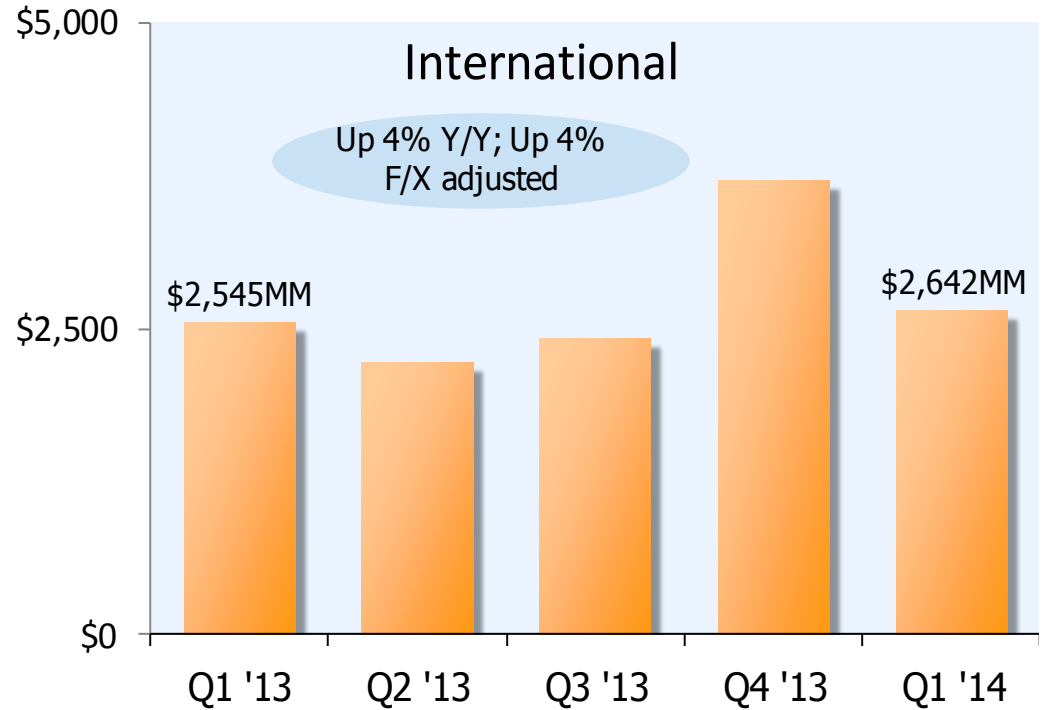
TTM Net Sales \$31.1B

Supplemental Revenue Highlights – Media

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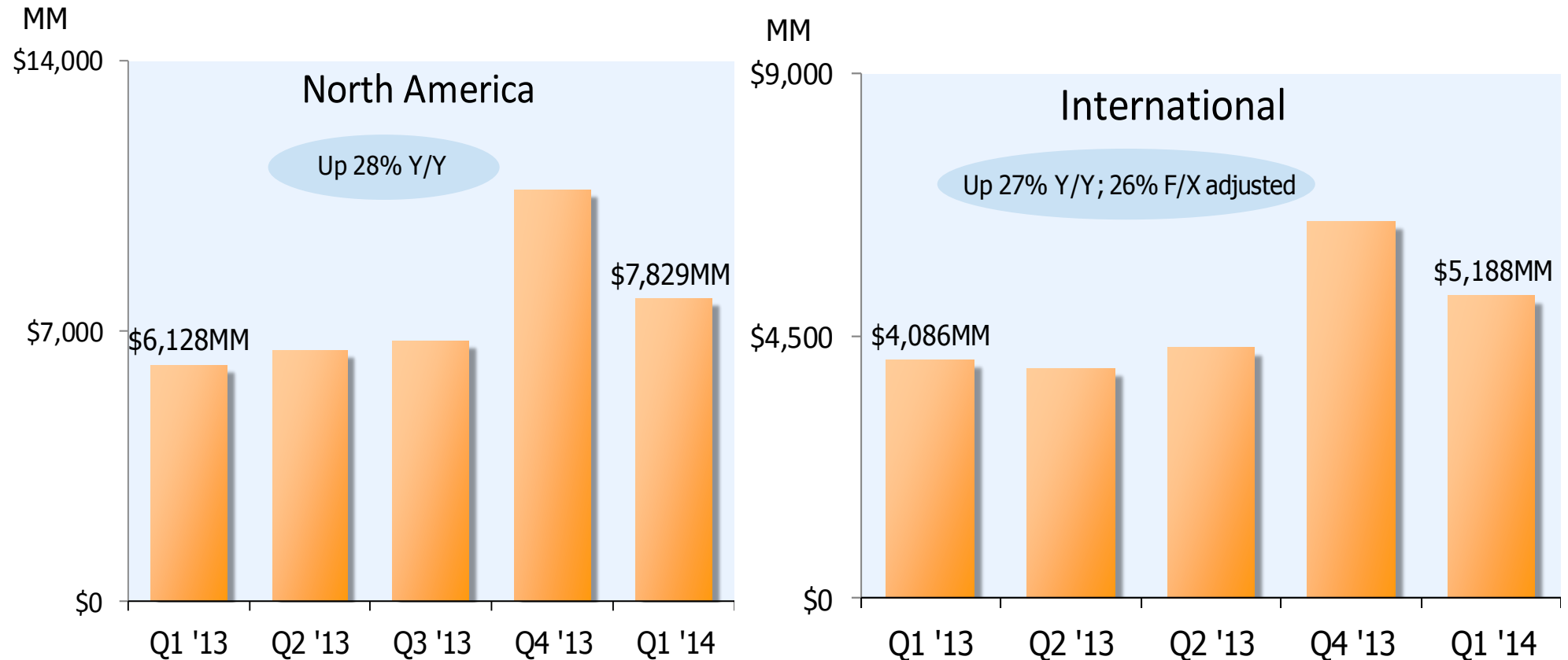


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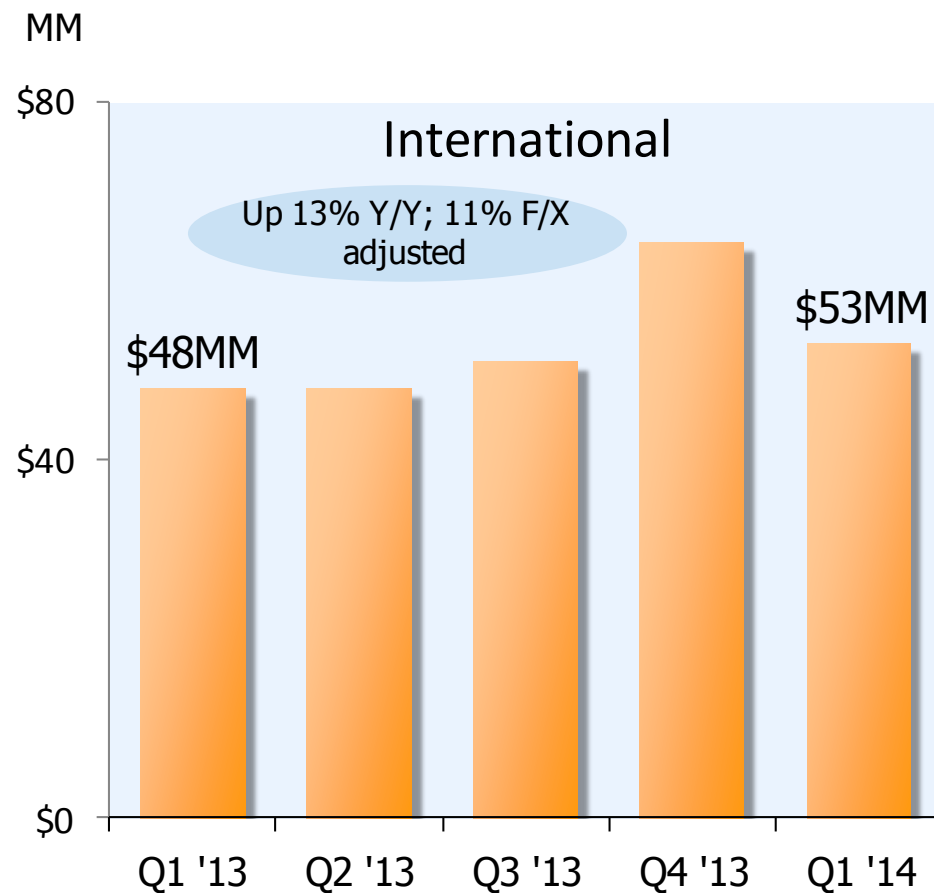
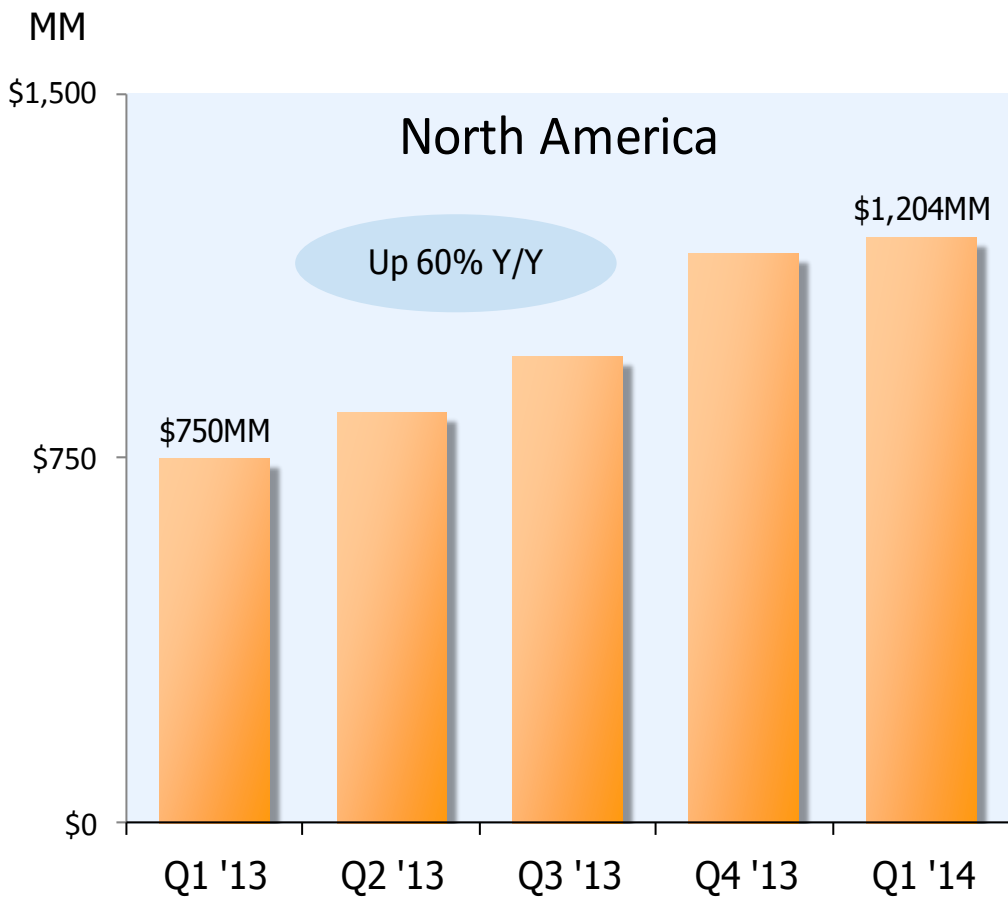
Books, Music, Movies, Video Games and Consoles, Software, and Digital Downloads

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

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Appendix

Free Cash Flow Reconciliation -- TTM

\$MM	<u>Q1 '13</u>	<u>Q2 '13</u>	<u>Q3 '13</u>	<u>Q4 '13</u>	<u>Q1 '14</u>
Operating Cash Flow	\$ 4,245	\$ 4,532	\$ 4,977	\$ 5,475	\$ 5,345
Purchases of Property and Equipment, Including Internal-Use Software and Website Development	<u>(4,068)</u>	<u>(4,267)</u>	<u>(4,589)</u>	<u>(3,444)</u>	<u>(3,854)</u>
Free Cash Flow	<u>\$ 177</u>	<u>\$ 265</u>	<u>\$ 388</u>	<u>\$ 2,031</u>	<u>\$ 1,491</u>

Consolidated Segment Operating Income Reconciliation

\$MM	<u>Q1 '13</u>	<u>Q2 '13</u>	<u>Q3 '13</u>	<u>Q4 '13</u>	<u>Q1 '14</u>
Consolidated Segment Operating Income	\$ 441	\$ 409	\$ 267	\$ 876	\$ 502
Stock-Based Compensation	(229)	(298)	(281)	(326)	(321)
Other Operating Income (Expense), Net	<u>(31)</u>	<u>(32)</u>	<u>(11)</u>	<u>(40)</u>	<u>(35)</u>
GAAP Operating Income (Loss)	<u>\$ 181</u>	<u>\$ 79</u>	<u>\$ (25)</u>	<u>\$ 510</u>	<u>\$ 146</u>

Consolidated Segment Operating Income Reconciliation -- TTM

\$MM	<u>Q1 '13</u>	<u>Q2 '13</u>	<u>Q3 '13</u>	<u>Q4 '13</u>	<u>Q1 '14</u>
Consolidated Segment Operating Income	\$ 1,711	\$ 1,760	\$ 1,795	\$ 1,993	\$ 2,055
Stock-Based Compensation	(901)	(978)	(1,043)	(1,134)	(1,227)
Other Operating Income (Expense), Net	<u>(145)</u>	<u>(145)</u>	<u>(112)</u>	<u>(114)</u>	<u>(118)</u>
GAAP Operating Income	<u>\$ 665</u>	<u>\$ 637</u>	<u>\$ 640</u>	<u>\$ 745</u>	<u>\$ 710</u>