

**amazon.com<sup>®</sup>**

The Amazon logo, featuring a curved orange arrow pointing from the letter 'a' to the letter 'z'.

**Tom Szkutak, CFO**

**CSFB Technology Conference**

**November 27, 2007**

# Amazon.com

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*This presentation may contain forward-looking statements, including statements regarding expectations of sales, gross margin, productivity, leverage, operating results, consolidated segment operating results, capital investment, return on capital, free cash flow and other financial statement or balance sheet items or ratios, all of 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 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, significant indebtedness, government regulation and taxation, payments, and fraud. 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 Annual Report on Form 10-K for the year ended December 31, 2006, and all 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](http://www.amazon.com/ir) under 'Financial Documents'.*

# Amazon.com

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## Agenda

Our Model

Our Results

Our Strategy

**Amazon.com**

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# **Our Model**

# Our Model

## Capital Efficiency -- Centralized Distribution

	Physical Store	Amazon.com
Headquarters	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Fulfillment Centers	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Stores	<input checked="" type="checkbox"/> <input checked="" type="checkbox"/> <input checked="" type="checkbox"/> <input checked="" type="checkbox"/> <input checked="" type="checkbox"/> <input checked="" type="checkbox"/> <input checked="" type="checkbox"/> <input checked="" type="checkbox"/>	

Lower Invested Capital = Higher Return

# Our Model

## Balance Sheet

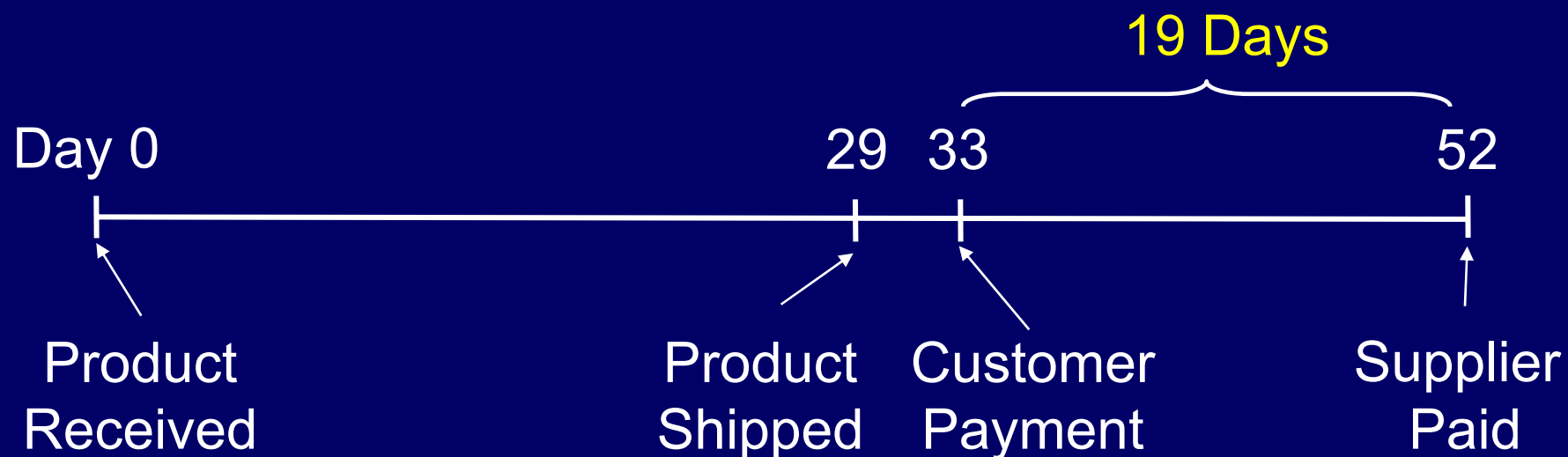
(\$MM)

	<u>Q3 2002</u>	<u>Q3 2007</u>	
<b>Assets</b>			
Cash & Marketable Securities	\$866	\$1,909	TTM Free Cash Flow \$800
Inventories	\$152	\$970	
A/R, Deferred Tax Assets & Other	\$102	\$545	12 Turns / 6% of Sales
Total Current Assets	\$1,120	\$3,424	\$1,461 in "operating assets"
Fixed Assets, net	\$239	\$491	
Deferred Tax Assets & Other	\$139	\$703	
Total Assets	\$1,497	\$4,618	
<b>Liabilities and Stockholders' Equity</b>			
A/P & Other Current Liabilities	\$711	\$2,319	
Long-Term Debt and Other	\$2,265	\$1,538	← Principal Due 2009 / 2010
Stockholders' Equity (Deficit)	(\$1,478)	\$761	
Total Liabilities & Stockholders' Equity	\$1,497	\$4,618	
Equity			

**Our Model is Demonstrating its Efficiency**

# Our Model

## Q3 07 Capital Efficiency -- Operating Cycle (TTM) <sup>(1)</sup>



**Working Capital is a Source of Cash**

(1) As of 09/30/07 – TTM Inventory Days, TTM Ending AR Days and TTM Ending AP Days

# Our Model

## Pre-orders

amazon.com Hello, Tom Szkutak. We have [recommendations](#) for you. (Not Tom?) Gift-wrap for only 99¢ per item  Hurry--offer ends soon

Tom's Amazon.com Today's Deals  Gifts & Wish Lists  Gift Certificates Your Account | Help

Shop All Departments  Search Video Games  GO

Video Games Browse By System Bestsellers New & Future Releases Kids & Family Game Hardware Outlet


Prime Member: Tom Szkutak   Ship to: Tom Szkutak

Note: This item is not yet released.

### Rock Band Special Edition

Other products by [MTV Games](#)

Platform: [PS2](#) PlayStation2 | ESRB Rating: [Teen](#)



List Price: ~~\$159.99~~  
Price: **\$149.99** & this item ships for FREE with Super Saver Shipping. [Details](#)  
You Save: **\$10.00 (6%)**  
 [Special Offers Available](#)

Pre-order Price Guarantee. [Details](#)

**Availability:** This item will be released on December 11, 2007. Pre-order now! [See details](#). Ships from and sold by **Amazon.com**. Gift-wrap available.

[See larger image](#)

**2 used & new** available from **\$149.99**

or Pre-order with

Ship to: Tom Szkutak

**More Buying Choices**

**Target** Price: **\$149.99**  Available for Pre-order

**2 used & new** from **\$149.99**

Get it for less!

Capture Early Demand and Improve Inventory Forecasting



# Our Model

## Inventory Velocity

### Hypothetical Example -- Digital Camera

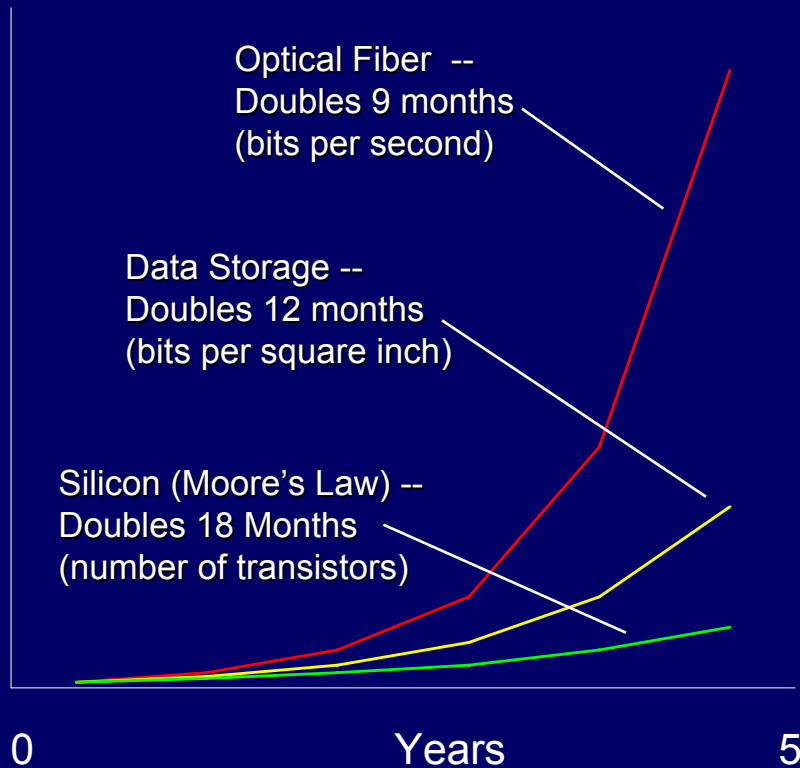
	Physical Store	Amazon.com
Average Selling Price	\$300	\$300
Turns -- TTM	6.3	12.4
Obsolescence		
Hypothetical Value -- One Year Later	\$210	\$210
Obsolescence Loss Per Week (30% per Year)	\$1.7	\$1.7
Average Weeks in Inventory	<u>8.3</u>	<u>4.2</u>
Obsolescence Cost Per Unit	<u>\$14.11</u>	<u>\$7.12</u>
<i>As a % of Sales</i>	<u>4.7%</u>	<u>2.4%</u>

**Inventory Velocity Translates to Cash Benefit**

# Our Model

## Technology

Performance / \$



Source: Vinod Khosla, Kleiner Perkins Caufield & Byers, 2000

Internet Penetration / Users

Web Services

Bandwidth

Wireless

Instant On

Third Parties

**Technology is our Ally – It Will Only Get Better**

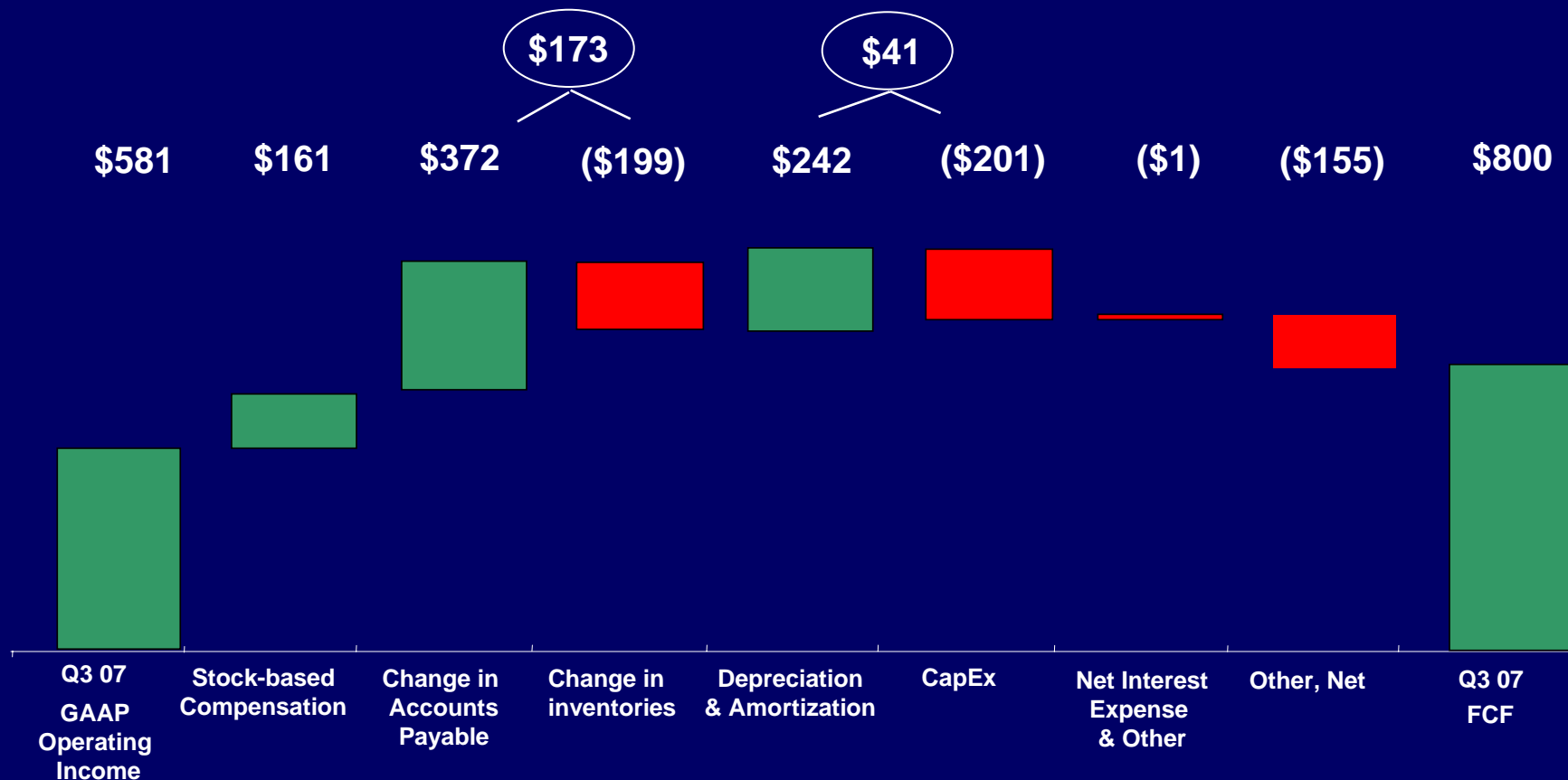
**Amazon.com**

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# **Our Results**

# Our Results

## Free Cash Flow -- TTM <sup>(1)</sup> (\$MM)

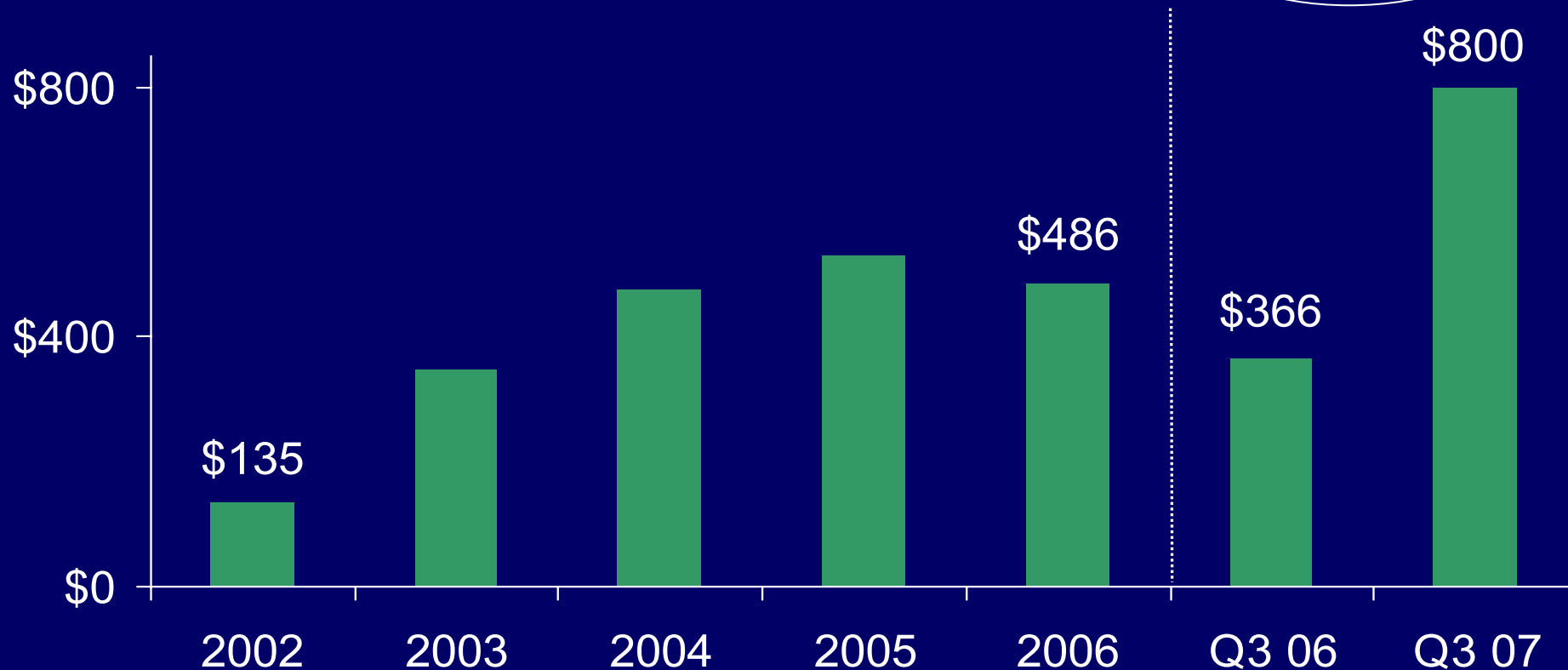


### Leverage in Earnings, Working Capital

(1) Free cash flow, a non-GAAP financial measure, is GAAP Operating Cash Flow Less Capital Expenditures. See the appendix for reconciliation of free cash flow to operating cash flow.

# Our Results

Free Cash Flow -- TTM <sup>(1)</sup>  
(\$MM)

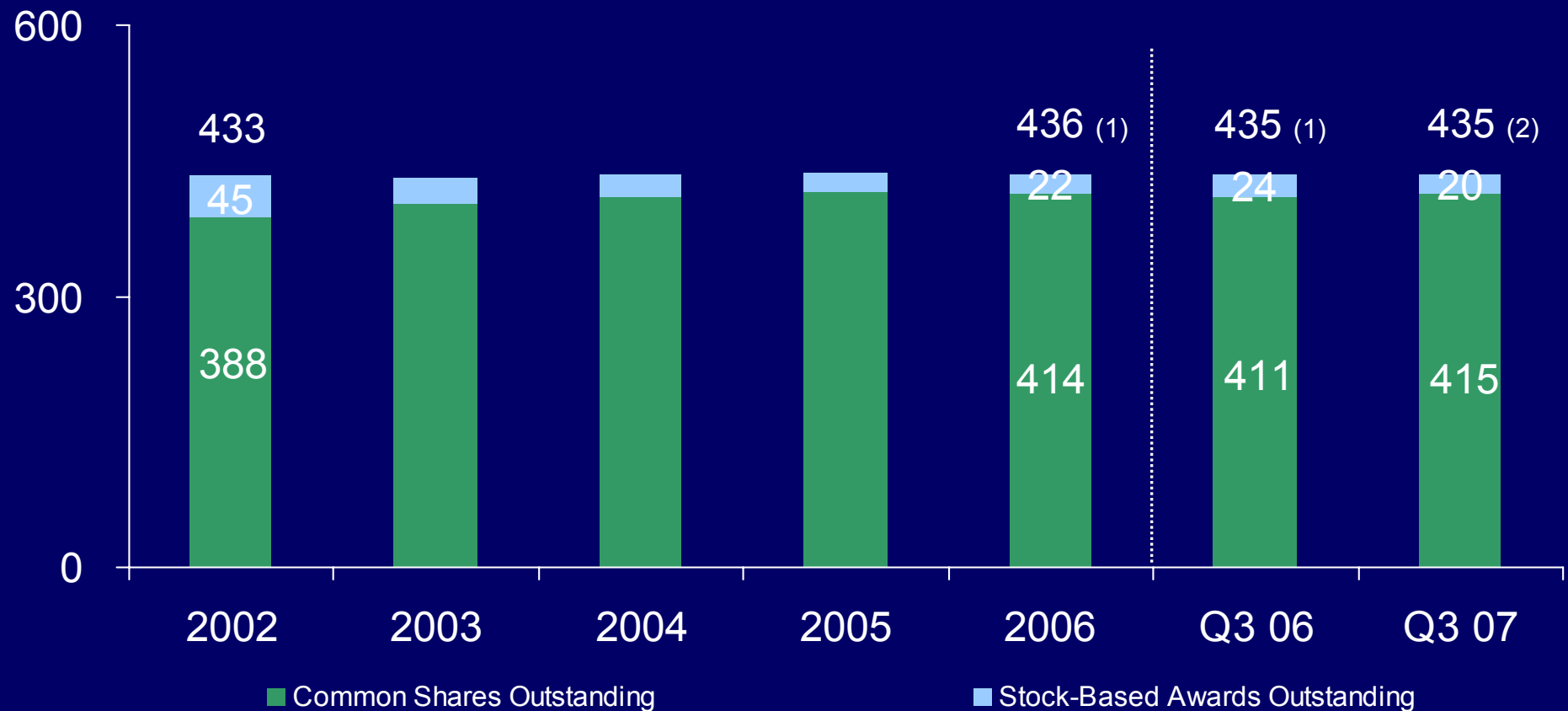


**Long Term Goal -- Optimize Free Cash Flow Per Share**

(1) Free cash flow is a non-GAAP financial measure. See the appendix for reconciliation of free cash flow to operating cash flow.

# Our Results

## Shares (MM)

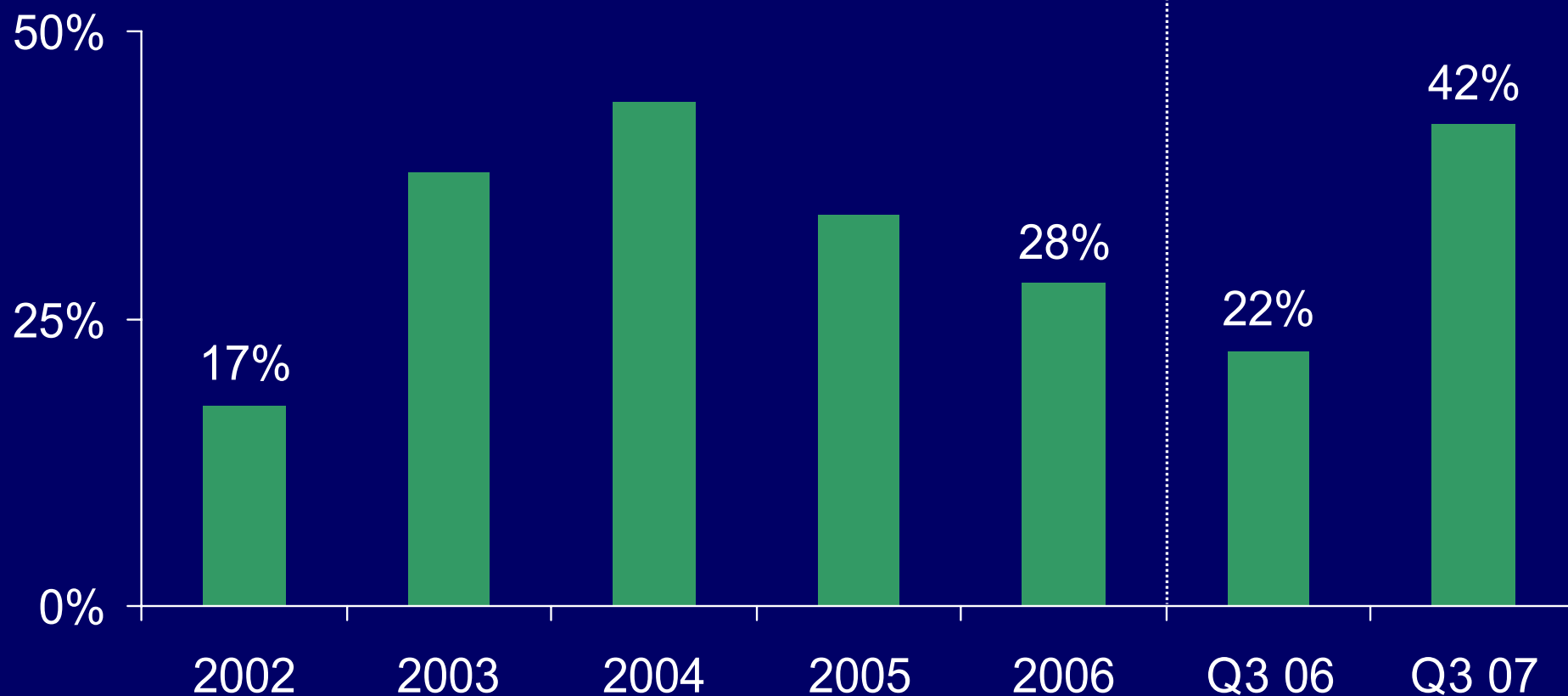


**Efficiently Managing Dilution -- Flat Y/Y**

- (1) The Company repurchased 8 million shares in Q3 06
- (2) The Company repurchased 6 million shares in Q1 07

# Our Results

## Return on Invested Capital -- TTM <sup>(1)</sup> (\$MM)



**Long Term Expectation -- Triple Digit ROIC**

(1) ROIC = Free Cash Flow divided by 5 quarter average of (Total Assets less Total Current Liabilities)

# Our Results

Net Sales -- TTM  
(\$MM)



TTM Q3 07 Up 36%, Up 32% Excluding Effect of F/X



# Our Results

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## Segments and Net Sales

### Segments

- North America
- International

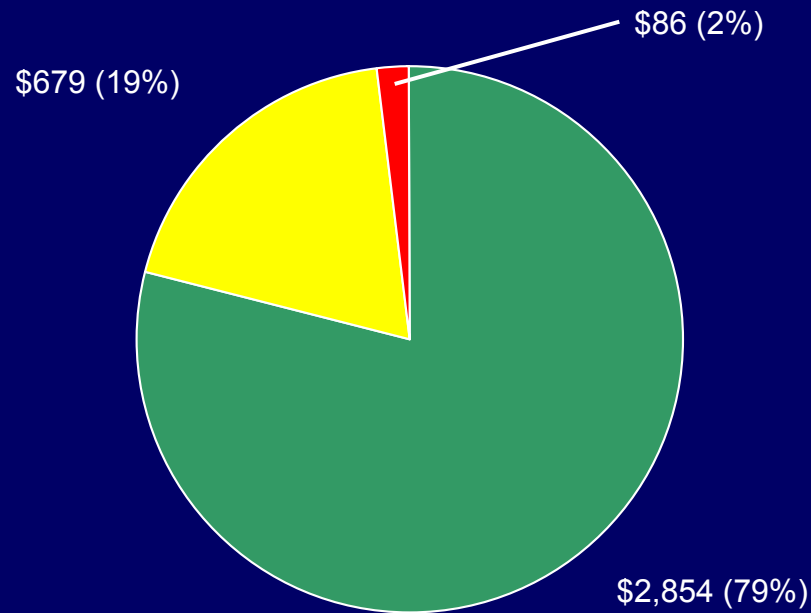
### Net Sales Categories

- Media
- Electronics and Other General Merchandise (EGM)
- Other (AES, AWS, Co-Branded Credit Card, Misc. Marketing & Other)

# Our Results

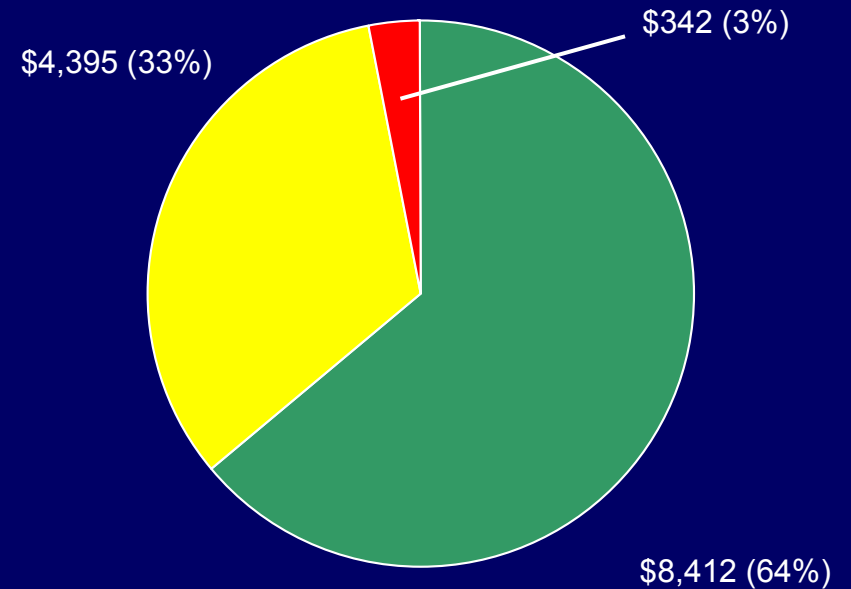
## Worldwide Sales Mix -- TTM (\$MM)

Q3 02 Worldwide Sales Mix -- Total  
Sales \$3,619



- WW Media
- WW Electronics & Other General Merchandise (EGM)
- WW Other

Q3 07 Worldwide Sales Mix -- Total  
Sales \$13,149

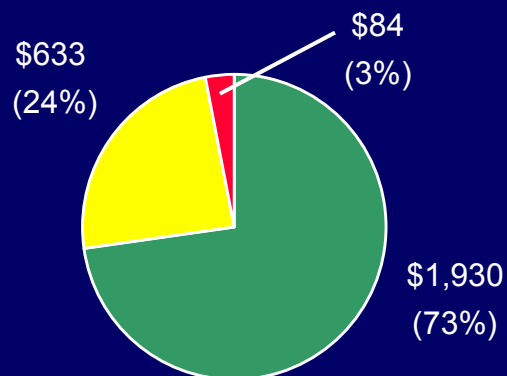


- WW Media
- WW Electronics & Other General Merchandise (EGM)
- WW Other

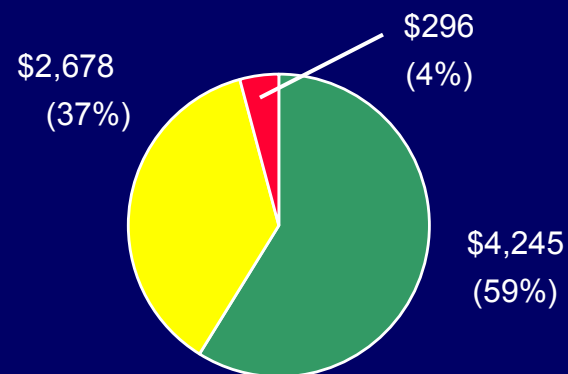
# Our Results

## Net Sales Mix -- TTM (\$MM)

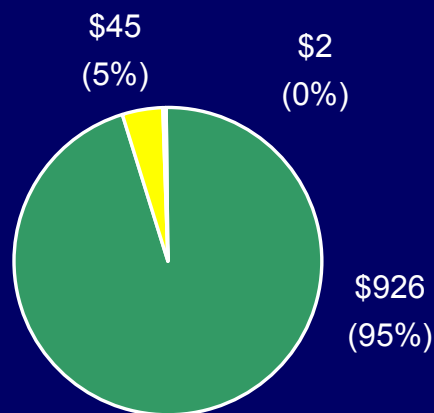
North America – Q3 02



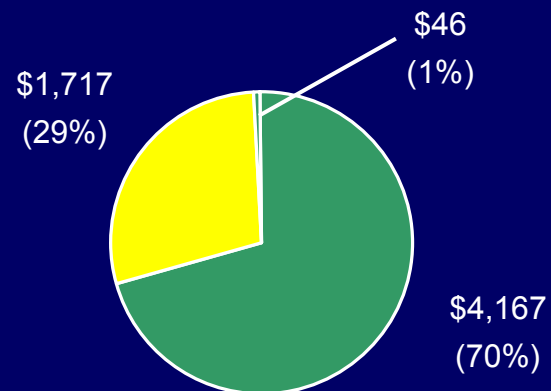
North America – Q3 07



International – Q3 02



International – Q3 07



# Our Results

## International Sales -- TTM

(\$MM)



- UK, Germany, France, Japan, & China
- 45% of WW ~ Flat with Q3 06, and up from 27% in Q3 02.
- LT Expectation -- Over 50% of Sales
- Shipments to Over 200 Countries
- Operating Profit up 48% to \$380MM
- Operating Margin of 6.4%

**TTM Q3 07 Up 36%, Up 29% Excluding Effect of F/X**

# Our Results

## Gross Profit -- TTM (\$MM)



**Objective: Maximize Gross Profit Dollars, Not Margin**

# Our Results

## Consolidated Segment Operating Income – TTM <sup>(1)</sup> (\$MM)



**Objective: Maximize Operating Profit Dollars, Not Margin**

(1) See the appendix for a reconciliation of consolidated segment operating income to operating income.

# Our Results

## Third Quarter Highlights <sup>(1)</sup>

(\$MM)	<u>Q3 06</u>	<u>Q3 07</u>	<u>V%</u>	<u>ex F/X</u>
Free Cash Flow -- TTM	\$ 366	\$ 800	118%	
Net Sales	\$ 2,307	\$ 3,262	41%	38%
Gross Profit	\$ 549	\$ 762	39%	
<i>Gross Margin</i>	23.8%	23.4%	-45 bps	
Direct Segment Operating Expenses	\$ 477	\$ 585	23%	
<i>As a % of Sales</i>	20.7%	18.0%	-272 bps	
Consolidated Segment Operating Income	\$ 72	\$ 177	145%	138%
<i>Consolidated Segment Operating Margin</i>	3.1%	5.4%	228bps	

**Topline Growth Fueled by Focus on Customer Experience – Selection, Convenience and Price**

(1) See the appendix for a reconciliation of consolidated segment operating income to operating income

**Amazon.com**

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# **Our Strategy**



# Our Strategy

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## Vision

### Earth's Biggest Selection

*Build a place where people can find and discover anything they want to buy online and endeavor to offer customers the lowest possible prices.*

### Earth's Most Customer-Centric Company

*Start with the customer and work backwards*

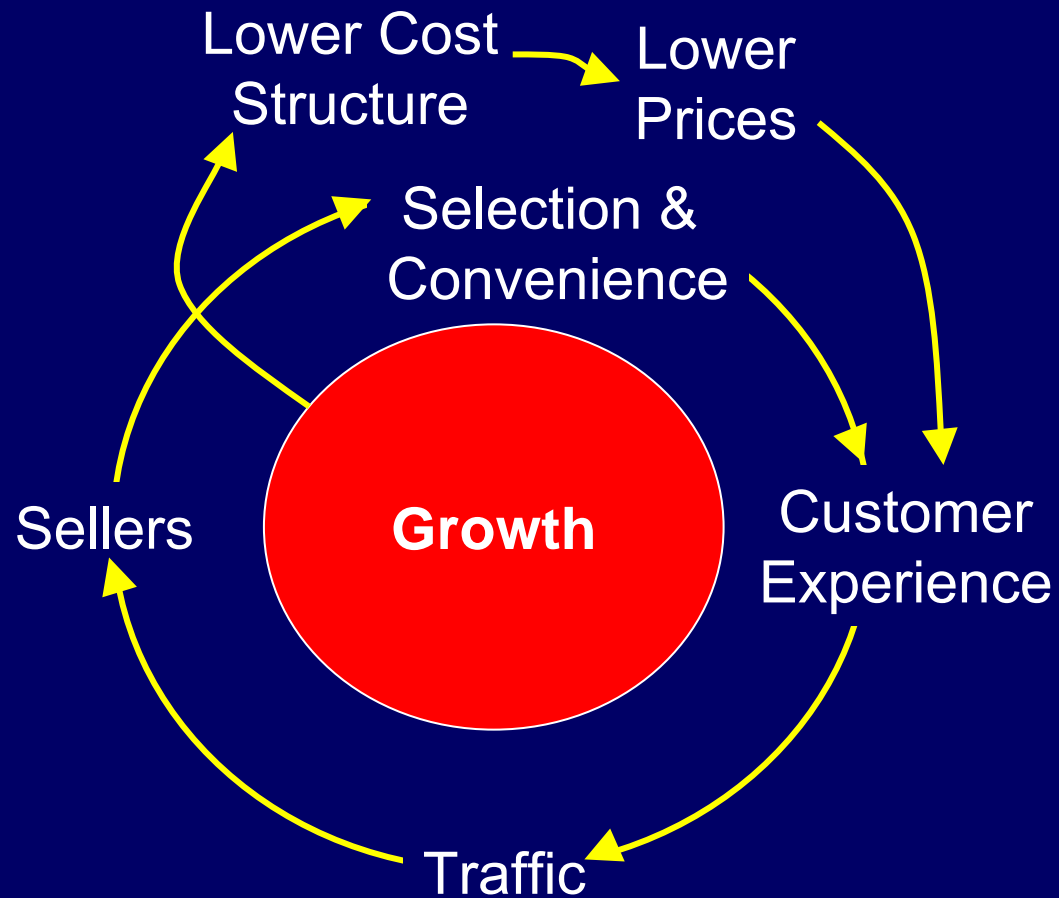
# Customer Experience Pillars

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# Our Strategy

## Our Virtuous Cycle



Over 72MM Active Customer Accounts, Up 17% Y/Y

# Our Strategy

## Leveraging our Platform

**Amazon.com  
as Seller**

*68% of Units <sup>(1)</sup>*



**Our Inventory  
Our Product Detail Pages**

**Merchants @/  
Marketplace**

*32% of Units <sup>(1)</sup>*



**3rd Party Inventory  
Our Product Detail Pages**

**Amazon  
Enterprise  
Solutions**



**Our Technology  
Powers Partner Websites**

**Amazon Web  
Services**



**Web Scale Computing  
Simple API's**

(1) Q3 2007

# Selection

## Third Party – Merchants @ Amazon.com

amazon.com Hello, Tom Szkutak. We have [recommendations](#) for you. (Not Tom?) Gift-wrap for only 99¢ per item  Hurry--offer ends soon

Tom's Amazon.com Today's Deals  Gifts & Wish Lists  Gift Certificates Your Account | Help

Shop All Departments  Search Audio & Video  GO  Your Lists

Electronics Browse Brands Top Sellers Camera & Photo Computers & PC Hardware **Audio & Video** Cell Phones & Service Office Electronics Today's Deals

**Prime** Member: Tom Szkutak **Note:** Vanns item. Not eligible for Amazon Prime. ([Learn more.](#))

**Sony Bravia KDL-40V3000 40" 1080p LCD HDTV**  
Other products by [Sony](#)  
★★★★★  (10 customer reviews) | [More about this product](#)

**List Price:** ~~\$1,899.99~~  
**Sale:** **\$1,579.98**  
**You Save:** \$320.01 (17%)

**Availability:** In Stock. Ships from and sold by [Vanns](#).  
Only 1 left in stock--order soon.

**Ships in Original Packaging:**  
This ships separately from other items in your order. The item ships in its original manufacturer's packaging and therefore the contents cannot be concealed. [See Product details for more information](#)

[7 used & new](#) Click to see price

[See larger image](#)  
[Share your own customer images](#)

**Price: \$1,579.98**  
In Stock  
Ships from and sold by [Vanns](#)  
Quantity: 1   
  
or  
  
Ship to:  
Tom Szkutak

**More Buying Choices**

**Electronic Express**   
Price: **\$1,627.87**  
In Stock

**Amazon.com**   
Price: **\$1,644.24**  
In Stock

Also Available in Europe and Japan

# Selection

## Third Party – Marketplace

amazon.com Hello, Tom Szkutak. We have [recommendations](#) for you. (Not Tom?) [We've been remodeling. Come take a look.](#)

Tom's Amazon.com Today's Deals Gifts & Wish Lists Gift Certificates Your Account | Help

Shop All Departments Search Sports & Outdoors GO Cart Your Lists

Sports & Outdoors Camping & Hiking Cycling Exercise & Fitness Fan Gear Golf Sales & Deals Sports Clothes Shoes 50% Off

**Perfect Pushup**  
by BodyRev

[Return to product information](#)

**Price at a Glance**  
List Price: ~~\$45.95~~  
**New:** from **\$39.95**  
Have one to sell? [Sell yours here](#)

All New (11 from \$39.95) Used (0)

Show All Prime offers only Sorted by Price + Shipping

Always pay through Amazon.com's Shopping Cart or 1-Click. Your purchase will be protected by the [A-to-z Safe Buying Guarantee](#). Never respond to requests to send funds via wire transfer. Learn more about [Safe Online Shopping](#).

**Featured Merchants** (1 to 5 of 10 offers sorted by : Price + Shipping)

Price + Shipping	Condition	Seller Information	Ready to buy?
<b>\$39.95</b> and eligible for AmazonPrime™ LOW ITEM PRICE	New	<b>Seller: BODYREV</b> FULFILLMENT BY AMAZON <b>Rating: ★★★★★ 90% positive</b> over the past 12 months (1424 ratings.) 1424 lifetime ratings. <b>Shipping:</b> In Stock. • \$3.99 Overnight Shipping: Get it Wednesday, November 7. • Free Two-day Shipping: Get it Thursday, November 8. • Order within <b>21hr 31min</b> for these delivery dates. See <a href="#">shipping rates</a> . See <a href="#">return policy</a> .	Add to Cart or Overnight 1-Click® Two-Day 1-Click® Ship to: Tom Szkutak
<b>\$41.98</b> + \$6.99 shipping	New	<b>Seller: CLASSICAL MEDIA &amp; FITNESS</b> <b>Rating: ★★★★★ 100% positive</b> over the past 12 months (2185 ratings.) 6248 lifetime ratings. <b>Shipping:</b> In Stock. Expedited shipping available. See <a href="#">shipping rates</a> . See <a href="#">return policy</a> . <b>Comments:</b> BRAND NEW! Still sealed in factory box- we ship DAILY via UPS. Please compare our feedback.	Add to Cart or Buy with 1-Click® Ship to: Tom Szkutak
<b>\$39.99</b> + \$9.49 shipping	New	<b>Seller: FOGDOG</b> <b>Rating: ★★★★★ 93% positive</b> over the past 12 months (12835 ratings.) 12835 lifetime ratings.	Add to Cart or

# Selection

## Fulfillment By Amazon

amazon.com Hello, Tom Szkatuk. We have [recommendations](#) for you. (Not Tom?) We've been remodeling. [Come take a look.](#)

Tom's Amazon.com Today's Deals Gifts & Wish Lists Gift Certificates Your Account | Help

Shop All Departments Search Amazon.com GO Cart Your Lists

Make Money Program Overview Marketplace Associates Advantage Web Services WebStore By Amazon Paid Placements On-Demand Publishing

Shop the All Business Center Shop now

**Fulfillment by Amazon**

F.A.Q.  
PRICING  
FBA IN ACTION  
EASYSSELL  
DEVELOPERS  
MULTI-CHANNEL FULFILLMENT

Put the world's most advanced order fulfillment network to work for your business.

**FULFILLMENT by amazon** — ALREADY SELLING ON AMAZON? [CLICK HERE](#) [START SELLING](#) [REQUEST INFO](#)

### How It Works...

- You Send Products to Amazon
- Amazon Stores Your Products
- Customers Purchase Your Products
- Amazon Picks & Packs Products
- Amazon Ships Products to Customers

Amazon's Technology Working For You

Put FBA to Work

Also Launched in Beta in United Kingdom, Germany and Japan

# Selection

www.createspace.com

The screenshot shows the CreateSpace website interface. At the top is the CreateSpace logo and a navigation menu with links for Home, Products, Get Started, Shop, Showcase, Help, and My Account. Below the navigation is a welcome message: "Welcome to CreateSpace. Please [log in](#), or if you're a new user, [create a new account](#)."

On the left, there is a "Create a..." sidebar with options: Book, DVD, Audio CD, Video Download, and HD DVD (beta). Below these options are links for "See all Products" and "See Pricing Sheets".

The main content area features a large promotional banner for "Create and Sell Books, Music and Video". The banner includes the text: "Make your media available to millions of customers on Amazon.com, CreateSpace, and your own site with our inventory-free self-publishing platform." It lists three benefits: "No set-up fees.", "No minimum orders.", and "You keep the rights." Below this is a call to action: "Learn how you can do it".

To the right of the banner is a photo of a young boy, Ethan Bortnick, in a tuxedo. Below the photo is a caption: "Hi, I'm Ethan. Come check out my music." and "Ethan Bortnick, Age 6 Live in Concert 'By Me' Ethan Bortnick".

Further right, there is a section for the "Amazon Breakthrough Novel Award" with the text "Searching for the next great novel." and a button "Visit the Official Site". Below this is a section for the "one thousand HD DVD PROJECT INDIES" sponsored by Amazon.com and Microsoft.

At the bottom, there are three columns of text:

- Create Freedom.** Publish your way, without set-up fees or returns. No minimum orders or excess inventory - each product is made as customers order.
- Create Sales.** Make your title available to millions of customers on your E-Store, Amazon.com and other channels. Low wholesale pricing.
- Create Control.** Keep your content rights. You set the list price and the amount you earn on every sale. Publish when you want - day or night.

On the right side, there is a "Latest News" section with a link for "More News" and a news item dated "Nov.8.07" titled "Six-Year-Old Musician Ethan Bortnick Releases His Debut CD and DVD".

Self-Publishing Platform for Books, Music and Video



# Selection

Endless.com

The screenshot shows the Endless.com website interface. At the top left is the logo for "endless BETA SHOES & HANDBAGS". To the right, a promotional banner reads: "Special limited-time promotion Overnight Shipping Is **NEGATIVE \$5** That's right, we pay you for overnight shipping. (Really!)" In the top right corner, there are links for "My Account", "1-866-218-9936", "Help", and "Sign-in", along with icons for "Saved for later" and "Cart". Below the header is a navigation bar with categories: "Women's Shoes", "Men's Shoes", "Kids' Shoes", "Handbags", "SALE", and "Designer". A search bar is present with a dropdown menu currently set to "Women's Shoes" and a "GO" button. To the right of the search bar, a countdown timer indicates: "Order in the next 6 hours 13 minutes - get it Tue, Nov. 13". The main content area features a large banner titled "Make Sparks Fly Dress Shoes for the Holidays" with an image of three elegant high-heeled shoes. Below the banner, there is a "Shop by:" section with three filter buttons: "Department", "Brand", and "Size". At the bottom of the banner area, there are four navigation buttons: "Gifts for Him", "Gifts for Her", "Gifts for Kids", and "Luxury Gifts".

# Global Selection

	US	UK	Germany	France	Japan	Canada	China
Books	'95	'98	'98	'00	'00	'02	'04
Music/Video	'98	'99	'99	'00	'01	'02	'04
DVD/Rental*	'98	'99/'04*	'99/'05*	'00	'01	'02	'04
Video Games & Software	'99	'00	'00	'01	'01	'03	'04
Electronics	'99	'01	'01	'05	'03		'04
Toys & Baby	'99	'01	'04	'07	'04		'04
Tools & Hardware	'99	'04	'04				
Kitchen & Housewares	'00	'04	'04	'07	'03		'06
Magazines	'01						
Office Products	'02						
Apparel & Accessories	'02				'07		
Sports & Outdoors	'03	'07	'06		'05		
Gourmet Food	'03						
Jewelry/Watches	'03	'07	'07	'07	'07		'06
Health & Personal Care	'03				'06		'06
Beauty	'04						'06
Shoes	'05	'07	'07		'07		
Grocery	'06						
Automotive	'06						
Third Party Sellers							
Marketplace	'00	'02	'02	'03	'02	'03	
Merchants@	'02	'06	'06	'07	'07		

Expect More Category and Country Expansion Over Time

# Selection

## Sports and Leisure

The screenshot shows the Amazon.co.uk website interface for the Sports & Leisure category. At the top, there's a navigation bar with the Amazon logo, a search bar containing 'Sports & Leisure', and links for 'VIEW BASKET', 'GIFT CENTRAL', 'WISH LIST', 'YOUR ACCOUNT', and 'HELP'. Below this is a horizontal menu with categories like 'WELCOME', 'TOM'S STORE', 'BOOKS', 'ELECTRONICS & PHOTO', 'MUSIC', 'DVD BUY & RENT', 'VIDEO', 'SOFTWARE', 'PC & VIDEO GAMES', 'HOME & GARDEN', 'TOYS & GAMES', 'SPORTS & LEISURE', 'JEWELLERY & WATCHES', 'SHOES', and 'BABY'. A secondary menu below that lists 'BROWSE SPORTS & LEISURE', 'BESTSELLERS', 'FITNESS', 'CAMPING & HIKING', 'CLOTHING & ACCESSORIES', 'SUPPORTERS SHOP', 'TEAM SPORTS', and 'ATHLETIC & OUTDOOR SHOES'. A prominent blue banner advertises 'UNLIMITED Free One-Day Delivery for only £49 per year!' with the Amazon Prime logo. The main content area features a 'Sports & Leisure beta' heading and a personalized welcome message to Tom Szkutak. A large promotional banner for 'Massive Savings on selected Bikes' offers up to 50% off on Raleigh bikes. To the right, there are two promotional boxes: 'Christmas gifts' offering up to 40% off on fitness equipment, and 'Sports Special Offers' featuring a 40% discount on a Wilson Ultra 45 Golf Set. A left-hand sidebar lists various product categories under 'Browse', including Fitness, Camping & Hiking, and Accessories.

Launched in United Kingdom in Q1 2007

# Selection

## Toys

**amazon.fr** | VOS Z'ENVIES CADEAUX | **VOTRE COMPTE** | AIDE

ACCUEIL | CHEZ TOM | LIVRES | LIVRES EN ANGLAIS | IMAGE & SON MICRO & PHOTO | MUSIQUE | DVD | LOGICIELS | JEUX VIDÉO | **JEUX ET JOUETS** | NOUVEAU CUISINE & MAISON | NOUVEAU MONTRES & BIJOUX | CADEAUX

RECHERCHE DÉTAILLÉE | NOS RUBRIQUES | MEILLEURES VENTES | NOUVEAUTÉS ET À PARAÎTRE | FIGURINES | POUPÉES | JEUX DE SOCIÉTÉ | JEUX ÉLECTRONIQUES

Rechercher Jeux et Jouets  **GO!**

### Jeux et Jouets

Bonjour Tom Szkutak. (Si vous n'êtes pas Tom Szkutak, [cliquez ici](#).)

**Plus de 100 Barbies & accessoires** [Cliquez ici](#)

**Devenez millionnaire !**  
Mi puzzle mi jeu de logique [Eternity II](#) est un jeu unique en son genre. Soyez le premier à assembler les pièces de ce puzzle aux formes géométriques et gagnez 2 millions de dollars !  
**EUR 49,98**  
> [Tous les jeux de société](#)

**Incontournable !**  
Superbe jeu musical, ce [Xylophone ovale en bois](#) est idéal

**Noël... Toutes nos idées cadeaux**

**PARCOURIR**

**Les stars de Noël par genres**

- Garçons
- Filles
- Son 1er Noël
- De 7 à 77 ans
- Jeux électroniques
- Jeux traditionnels

**Idées cadeaux par prix**

- Moins de 15 euros
- Moins de 30 euros
- Cadeau d'exception

**Encore plus d'idées cadeaux :**

- Notre boutique Noël

**PARCOURIR**

Launched in France in Q2 2007

# Selection

## Shoes & Accessories

amazon.de

GESCHENKE | WUNSCHZETTEL | MEIN KONTO | HILFE | IMPRESSUM

HOME | TOMS SHOP | BÜCHER | ENGLISH BOOKS | ELEKTRONIK & FOTO | MUSIK | DVD KAUFEN & LEIHEN | SOFTWARE | GAMES | KÜCHE, HAUS & GARTEN | SPIELWAREN & KINDERWELT | SPORT & FREIZEIT | UHREN | BABY | SCHUHE & HANDTASCHEN

ERWEITERTE SUCHE | DAMENSCHUHE | HERRENSCHUHE | KINDERSCHUHE | HANDTASCHEN | MARKEN | SPORTSCHUHE | BESTSELLER | PREIS-HITS

Suche Schuhe & Handtaschen

**Gutscheine** im Wert von **60€** sichern! [Mehr Info](#)

**Stöbern**

**Abteilung**

- Damen
- Herren
- Kinder
- Sportschuhe

**Schuhtypen**

- Ballerinas
- Clogs & Pantoletten
- Gummistiefel
- Halbschuhe
- Hausschuhe
- Pumps
- Sandalen
- Sandaletten

**Schuhe & Handtaschen** beta [\(Was ist das?\)](#)

[Adidas](#), [Buffalo](#), [Clarks](#), [Gant](#), [Kickers](#), [Nike](#), [Timberland](#) und mehr!

Herzlich willkommen, Tom Szkutak! (Wenn Sie nicht Tom Szkutak sind, [klicken Sie bitte hier](#))

**Kickers® für alle!**

- [Damen](#)
- [Herren](#)
- [Kinder](#)

**Top-Angebote**

Launched in United Kingdom, Germany and Japan in Q3 2007

# Selection

## Home and Kitchen

amazon.fr

VOS Z'ENVIES CADEAUX | VOTRE COMPTE | AIDE

ACCUEIL | CHEZ TOM | LIVRES | LIVRES EN ANGLAIS | IMAGE & SON MICRO & PHOTO | MUSIQUE | DVD | LOGICIELS | JEUX VIDÉO | JEUX ET JOUETS | **NOUVEAU CUISINE & MAISON** | **NOUVEAU** MONTRES & BIJOUX | CADEAUX

RECHERCHE DÉTAILLÉE | NOS RUBRIQUES | MEILLEURES VENTES | NOUVEAUTÉS | ESPACE CUISINE | PETIT DÉJEUNER, EXPRESSO, CAFÉ | ARTS DE LA TABLE | SOIN DU CORPS

Rechercher Cuisine & Maison  **GO!**

### PARCOURIR

**Les stars de Noël par genres:**

- Idées cadeaux cafetières et Petit déjeuner
- Idées cadeaux pour les chefs
- Idées cadeaux beauté et relaxation
- Idées cadeaux Art de la table
- Idées cadeaux Petit électroménager
- Idées cadeaux d'ustensiles

**La sélection de cadeaux pas prix:**

- Cadeaux à moins de 20 euros
- Cadeaux à moins de 100 euros

## Cuisine & Maison bêta (plus d'informations?)

Bonjour Tom Szkutak. (Si vous n'êtes pas Tom Szkutak, [cliquez ici.](#))

Tous nos rasoirs à partir de **14,99€** [Cliquez ici](#)

### Noël... Toutes nos idées cadeaux

**A ne pas manquer**  
L'aspirateur sans sac  
[Severin - BR 7946](#) : petit et pratique, il allie parfaitement performance, confort d'utilisation et efficacité.  
**EUR 75,00**

**L'indispensable**  
La friteuse [Support Plus - Cqf - 01901 - Seu](#) : très facile à nettoyer grâce à sa cuve équipée d'un revêtement anti-adhésif, cette friteuse vous

Launched in France in Q3 2007

# Selection

## Baby

The screenshot shows the Amazon.co.jp homepage with a focus on the Baby & Maternity category. At the top, there's a navigation bar with 'amazon.co.jp' and a search bar containing 'ベビー & マタニティ'. Below the search bar is a banner for 'MATERNITY' by Wacoal, with the text 'きれいなママをサポート' and a '今すぐチェック' button. The main content area is titled 'ベビー & マタニティ' and features a sub-header 'ベビーカーからチャイルドシート、ベビー服、マタニティ用品まで！' and '寝具、マタニティ用品、ベビー服、ベビー靴お買い上げでAmazonポイント10%還元！'. There are three icons for 'ベビー', 'キッズ', and 'マタニティ' with '今すぐチェック' buttons. To the left, there's a sidebar with 'おすすめ情報' and 'お買い得' section listing various promotions like '最大2万ポイントが当たるカスタマーレビューキャンペーン' and '最大84%OFFあったかぽかぽかフェア'. To the right, there are two promotional boxes: one for 'FICELLE inc.' with a cloud-shaped product and '今すぐチェック' button, and another for 'カスタマーレビュー' with 'ポイントプレゼント' and '今すぐ応募！' button. At the bottom right, there's a 'ベビー & マタニティ トップセラー' section with a '今すぐチェック' button.

Launched in United Kingdom, Germany and Japan in 2007

# Selection

## Watches

amazon.fr

ACCUEIL CHEZ TOM LIVRES LIVRES EN ANGLAIS IMAGE & SON MICRO & PHOTO MUSIQUE DVD LOGICIELS JEUX VIDÉO JEUX ET JOUETS CUISINE & MAISON **NOUVEAU** MONTRES & BIJOUX **NOUVEAU** CADEAUX

RECHERCHE DÉTAILLÉE | NOS MARQUES | MEILLEURES VENTES | NOUVEAUTÉS | HOMMES | FEMMES | ENFANTS | BIJOUX

Rechercher Montres & Bijoux GO!

LIVRAISON GRATUITE pour des millions d'articles expédiés et vendus par Amazon.fr ! Voir conditions

**PARCOURIR**

**Montres Homme**

- Bracelet cuir
- Bracelet acier
- Bracelet plastique
- Bracelet métal
- Montres sport
- > Voir toute la rubrique

**Montres Femme**

- Bracelet cuir
- Bracelet acier
- Bracelet plastique
- Bracelet métal
- Montres sport
- > Voir toute la rubrique

**Montres & Bijoux bêta** ([plus d'informations](#))

Bonjour Tom Szkutak. (Si vous n'êtes pas Tom Szkutak, [cliquez ici](#).)

Bienvenue sur la boutique Montres et Bijoux d'Amazon.fr. Découvrez notre sélection de [Montres Homme](#), [Montres Femme](#), [Montres Enfant](#), [Montres Sport](#), ainsi que notre sélection de [Bijoux](#).

Offrez une **Timex** pour Noël

[Cliquez ici](#)

**Nos rubriques**

**Montre Ballerine : Best seller Opex**

Accessoire de mode incontournable, la [montre Opex Ballerine 390C1](#) avec son bracelet double tour en cuir noir est devenue la signature de la marque Opex.

**EUR 115,00**

> [Toute la gamme Opex](#)

**The One : l'affichage LED**

La [montre homme The One SM107R1](#) est le résultat d'une rencontre entre un professeur de mathématique et un designer passionné de montres.

**EUR 149,00**

> [Toutes les montres The One](#)

Launched in Europe and Japan in 2007



# Convenience

## Amazon Enterprise Solutions

The screenshot shows the M&S website interface. At the top right, there are navigation links: [Homepage](#), [Store Finder](#), [Help](#), [Wish List](#), [Quick Order](#), and [My Basket: 0 items](#). The main header features the logo "YOUR M&S" and three navigation buttons: [Shop all Departments](#), [Your M&S](#), and [My Account](#). Below the header is a search bar with the text "SEARCH: Enter Keyword or Product Code" and a "GO" button. To the right of the search bar is a green banner that says "Free Delivery Offer". The main content area is titled "Christmas Shop" and includes a breadcrumb trail: [Homepage](#) » [Christmas Shop](#). On the left side, there are four promotional tiles: "Stocking Fillers" with a red gift, "Christmas Shop 3 for 2" with a pink gift, "Hampers Exquisite gifts delivered" with a hamper, and "Gift Wrapping Service" with wrapped gifts. The central part of the page features a large image of luxury watches and jewelry. To the right of this image is a teal sidebar with the text "Christmas Shop" and a description: "Getting ready for Christmas is easy with our wide range of cards, gifts, wrap, decorations and more". Below this text are three links: [» Christmas 3 for 2](#), [» Christmas Gift Guide](#), and [» Create Your Christmas](#).

Partners Also Include: Bebe, Benefit Cosmetics, Lacoste, Mothercare, Sears.ca, Target, Timex

# Convenience

## Amazon Prime

The screenshot shows the Amazon.com homepage with a winter-themed banner. The navigation bar includes the Amazon logo, a personalized greeting for Tom Szkutak, and links for Today's Deals, Gifts & Wish Lists, and Gift Certificates. The main content area features a sign-up promotion for Amazon Prime, highlighting benefits like free two-day shipping, no minimum order, and the ability to share the membership. A 'Continue to sign-up' button is visible at the bottom right of the promotion.

amazon.com Hello, Tom Szkutak. We have [recommendations](#) for you. (Not Tom?) We've been remodeling. [Come take a look.](#)

Tom's Amazon.com Today's Deals Gifts & Wish Lists Gift Certificates Your Account | Help

Shop All Departments Search Amazon.com GO Cart Your Lists

Hi Tom Szkutak,

**Don't wait for what you want. Get it fast.**  
Sign up today for Amazon Prime.

You can find just about anything you're looking for on Amazon.com. And now, you can get it shipped the way you want — fast and free — with **Amazon Prime**.

For just \$79 a year, you'll enjoy an exclusive membership program that gives you and your family the benefits of unlimited express shipping on eligible Amazon.com purchases. [Learn more](#)

**Try Amazon Prime and enjoy:**

- Unlimited Express Shipping**  
Free Two-Day shipping on over a million in-stock items sold by Amazon.com. \$3.99 overnight shipping if you order by 6:30PM ET.
- No Minimum Order**  
There's no need to group items to save on shipping. Order what you want, when you want.
- Share Your Benefits**  
Share one membership with up to four additional accounts in the same household and get even more value.

**amazon.com Prime**

Sign up for Amazon Prime now:

- ✓ **FREE Two-Day Shipping** on over a million in-stock items
- ✓ **\$3.99 Overnight Shipping**
- ✓ **No Minimum Order**
- ✓ **Share Your Benefits**

Sign up now and start taking advantage of all these great benefits right away!

[Continue to sign-up](#)

Also Launched in Japan, United Kingdom and Germany in 2007

# Convenience

## Amazon Kindle

amazon.com Hello, Tom Szkutak. We have [recommendations](#) for you. (Not Tom?) **It's never too early to shop** and get **FREE Two-Day Shipping**

Tom's Amazon.com Today's Deals Gifts & Wish Lists Gift Cards Your Account | Help

Shop All Departments Search Electronics GO Cart Your Lists

Kindle Store Buy A Kindle Kindle Books Kindle Newspapers Kindle Blogs Kindle Magazines Manage Your Kindle Kindle Support

Prime Member: Tom Szkutak Overnight 1-Click®—\$3.99 Two-Day 1-Click®—FREE Ship to: Tom Szkutak

Note: This item is not immediately available to ship. (In stock on December 17, 2007. Order it now.)

Introducing **amazonkindle**  
Amazon's revolutionary wireless reading device

Kindle: Amazon's New Wireless Reading Device  
Other products by [Amazon](#)

"This is the future of book reading. It will be everywhere." Michael Lewis, author of *Moneyball* and *Liar's Poker*.

★★★★☆ (710 customer reviews)

Price: **\$399.00** & includes **FREE Two-Day Shipping**. [See Details](#)

**Availability:** In stock on December 17, 2007. Order it now. Ships from and sold by **Amazon.com**. Gift-wrap available.

**Kindle Availability**  
Due to heavy customer demand, Kindle is temporarily sold out. Because we ship Kindles on a first-come, first-served basis, please **ORDER NOW** to reserve your place in line. See availability messaging above for estimated in-stock date. Note that Kindle cannot currently be sold or shipped to customers living outside of the U.S.

Quantity: 1  
Add to Shopping Cart  
or Buy now with  
Two-Day 1-Click®—FREE

Ship to: Tom Szkutak  
 Add gift-wrap/note

Add to Wish List  
Add to Shopping List  
Add to Wedding Registry  
Add to Baby Registry  
Tell a friend

Kindle video

ZOOM | SPIN  
[Share your own customer images](#)

Kindle is Wireless – Think of a Book and Get it in Less Than One Minute

# Convenience

## Amazon MP3

The screenshot shows the Amazon MP3 website. At the top, the Amazon logo and Prime logo are visible, along with a personalized greeting: "Hello, Tom Szkutak. We have recommendations for you. (Not Tom?)". A navigation bar includes "Shop All Departments", a search bar with "MP3 Downloads" entered, and buttons for "GO", "Cart", and "Your Lists". Below the navigation bar, a banner for "amazonmp3 Top 100 Songs: 89 cents!" is displayed. The main content area features a "Browse" sidebar with a list of genres including Alternative Rock, Blues, Broadway & Vocalists, Children's Music, Christian & Gospel, Classic Rock, Classical: Instrumental, Classical: Opera & Vocal, Country, Dance & DJ, Folk, Hard Rock & Metal, International, Jazz, Latin Music, Miscellaneous, New Age, Pop, and R&B. The central area is titled "amazonmp3 BETA" and "Play Anywhere, DRM-Free Music Downloads". It prominently displays "MP3 Music Downloads for Any Media Player!" next to a row of various portable music players. Below this, it states "All Songs Compatible with:" followed by icons for iTunes and Windows Media Player. A personalized recommendation section says "Hello, Tom Szkutak. We have MP3 Downloads Recommendations for you. (If you're not Tom Szkutak, click here.)". The "New and Notable MP3 Albums" section features five album covers with their respective artist names: Hvarf - Heim (~Sigur Ros), Chase This Light (~Jimmy Eat World), White Chalk (~PJ Harvey), A Place To Land (~Little Big Town), and La Cucaracha (~Ween).

Over 2 Million Songs From More Than 180,000 Artists

# Convenience

## Groceries – Subscribe & Save

The screenshot shows the Amazon.com homepage with a focus on the 'Subscribe & Save' program. The top navigation bar includes the Amazon logo, user name 'Tom Szkutak', and various utility links like 'Today's Deals' and 'Gifts & Wish Lists'. A search bar is set to 'Grocery'. Below the navigation, a 'Browse' sidebar lists categories like 'Baby & Child Care', 'Food & Snacks', 'Health & Wellness', and 'Household Supplies'. The main content area features a 'Subscribe & Save beta' banner with a shopping cart icon and a 'What is this?' link. Below this, a text block explains the program's benefits, followed by a list of advantages. A 'Featured Categories' section displays six product categories with representative images: Household Supplies (Bounty, Tide), Food & Snacks (All-Bran, Nature of One, Senseo), Personal Care & Beauty (Fusion Power, Body Head), Health & Wellness (Spirulina, Nature of One), Baby & Child Care (Huggies), and Nutrition & Energy Bars (ECLIP). To the right, there are two promotional boxes: one for 'Seventh Generation' laundry detergent and another for 'Top Sellers in Subscribe & Save' featuring a Braun shaver system and Seventh Generation diapers.

amazon.com Hello, Tom Szkutak. We have [recommendations](#) for you. (Not Tom?) We've been remodeling. [Come take a look.](#)

Tom's Amazon.com Today's Deals Gifts & Wish Lists Gift Certificates Your Account | Help

Shop All Departments Search Grocery GO Cart Your Lists

Grocery Browse Products Top Sellers Breakfast Foods Coffee & Tea Snacks & Candy Natural & Organic Sales & Special Offers **Subscribe & Save**

**Browse**

- Baby & Child Care
  - Baby Wipes
  - Diapers
  - Training Pants
  - > All Baby & Child Care
- Personal Care & Beauty
- Food & Snacks**
  - Breakfast Foods
  - Coffee
  - Natural & Organic Food
  - Nutrition Bars & Drinks
  - Snacks
  - Tea
  - > All Food & Snacks
- Health & Wellness**
  - Digestion & Nausea
  - Incontinence
  - Vitamins & Supplements
  - Weight-Loss Products
  - > All Health & Wellness
- Household Supplies**
  - Bath Tissue
  - Batteries
  - Facial Tissues
  - Laundry Supplies
  - Paper Towels

**Subscribe & Save beta** [\(What is this?\)](#)

Our new Subscribe & Save program is a great way to save an extra 15% on items you use routinely--coffee, shampoo, laundry detergent, and more--while helping to make sure you don't run out. Benefits include:

- A delivery schedule that fits your needs--every one, two, three, or six months
- Extra 15% discounts on our everyday price, whether you subscribe for a single month or for years
- Free shipping on every order
- E-mail reminders of upcoming shipments
- The flexibility to change your schedule or cancel at any time--no risks, no fees
- [Learn more...](#) or [Manage Your Subscribe & Save Items](#)

**Featured Categories**

Our Subscribe & Save selection includes hundreds of products, ranging from baby diapers to vitamins. We're making more products eligible on a regular basis, so check back often to see what's new in our Subscribe & Save program.

**Household Supplies**  
  
[All eligible Household Supplies](#)

**Food & Snacks**  
  
[All eligible Food & Snacks](#)

**Personal Care & Beauty**  
  
[All eligible Personal Care & Beauty](#)

**Health & Wellness**  
  
[All eligible Health & Wellness](#)

**Baby & Child Care**  
  
[All eligible Baby & Child Care](#)

**Nutrition & Energy Bars**  
  
[All eligible Nutrition & Energy Bars](#)

**Seventh Generation**

New from [Seventh Generation](#): 2X strength laundry detergent--all the cleaning power, less packaging. Get it in:

- [Free & Clear](#)
- [Blue Eucalyptus & Lavender](#)

**Top Sellers in Subscribe & Save**

1. [Braun CCR3 Syncro Shaver System Clean & Renew Refills \(3 Refills\)](#)
2. [Seventh Generation Chlorine Free Diapers, Stage 4 \(22-37 lbs\), 34-](#)

# Convenience

## Search Inside the Book

amazon.co.uk

WELCOME TOM'S STORE BOOKS ELECTRONICS & PHOTO MUSIC DVD BUY & RENT VIDEO SOFTWARE PC & VIDEO GAMES HOME & GARDEN TOYS & GAMES SPORTS & LEISURE JEWELLERY & WATCHES SHOES BABY

ADVANCED SEARCH BROWSE GENRES NEW & FUTURE RELEASES BESTSELLERS PAPERBACKS AUDIO BOOKS BARGAIN BOOKS SPECIAL OFFERS SELL YOUR BOOKS

Search Books

**SEARCH INSIDE!**  
"a book destined to spark a revolution"  
-PUBLISHER

**PETER DOYLE**  
**Value-Based Marketing**  
Marketing Strategies for Corporate Growth and Shareholder Value

ValueBased Marketing: Marketing Strategies for Corporate Growth and Shareholder Value (Hardcover)  
by Peter Doyle (Author) "What do General Electric, Coca-cola, Disney Corporation, BP-Amoco, Cadbury and Berkshire Hathaway have in common? ..." (more)  
★★★★☆ (1 customer review)

RRP: £36.99  
Price: £24.04 & this item **Delivered FREE in the UK** with Super Saver Delivery. [See details and conditions](#)  
You Save: £12.95 (35%)

Availability: In stock. Dispatched from and sold by Amazon.co.uk.

**40 used & new** available from £18.00

Share your own customer images  
[Search inside this book](#)

If you are looking for gift ideas for bookworms then our [books Christmas store](#) has thousands of titles to choose from.

Price: £24.04  
In stock  
Dispatched from and sold by Amazon.co.uk  
Quantity: 1  
Add to Shopping Basket  
or  
Buy now with 1-Click®  
Dispatch to:  
Tom Szotak  
Add giftwrap/message

More Buying Choices  
**40 used & new** from £18.00  
Have one to sell? [Sell yours here.](#)

### 10 references to asset valuation in this book

1. [on Page 17:](#)  
" ... market. They are commonly taken over by larger competitors that can generate higher returns from the same **asset** base"
2. [on Page 33:](#)  
"net present value (NPV) of an **asset** is the present value plus the initial investment to acquire the **asset**:  $NPV = C_0 + \sum_{t=1}^n \frac{C_t}{(1+r)^t}$  Note that  $C_0$  is normally negative because the initial investment is a cash payment ..."
3. [on Page 34:](#)  
" ... determine how much to discount for time and risk. By calculating the present value of an **asset** we are in effect estimating the maximum amount people will pay for it, if they have the alternative of investing elsewhere ..."
4. [on Page 128:](#)  
"principles of **valuation** were described in Chapter 2. As with any **asset**, the value of an acquisition is based on the net present value of the future stream of cash flow that is anticipated. For an acquisition, the fundamental equation"
5. [on Page 248:](#)  
" ... assets on the balance sheet has become controversial. A spate of hostile take-overs and **asset** stripping of brand-rich companies led to the accusation that, because brands were excluded from the balance ..."
6. [on Page 249:](#)  
"value of the **asset** is increasing, not only should there be no depletion charge, but the **asset** should be written up in value every year. The pros and cons of brand **valuation** largely reflect the views ..."
7. [on Page 250:](#)  
" ... foreign affiliates for the use of their brand names. KEY ISSUES IN BRAND **VALUATION** Any brand **valuation** methodology has to deal with

Every **asset**, financial as well as real, has a value. The key to successfully investing in and managing these assets lies in understanding not only what the value is, but the sources of the value. Any **asset** can be valued, but some assets are easier to value than others, and the details of **valuation** will vary from case to case. Thus, the valuation of a real estate property will require different information and follow a different format than the **valuation** of a publicly traded stock. What is surprising, however, is not the differences in techniques across assets, but the degree of similarity in basic principles. There is uncertainty associated with **valuation**. Often that uncertainty comes from the **asset** being valued, though the **valuation** model may add to that uncertainty.

This chapter lays out a philosophical basis for **valuation**, together with a discussion of how **valuation** is or can be used in a variety of frameworks, from portfolio management to corporate finance.

### A PHILOSOPHICAL BASIS FOR VALUATION

It was Oscar Wilde who described a cynic as one who "knows the price of everything, but the value of nothing." He could very well have been describing some analysts and many investors, a surprising number of whom subscribe to the "bigger fool" theory of investing, which argues that the value of an **asset** is irrelevant as long as there is a "bigger fool" around willing to buy the **asset** from them. While this may provide a basis for some profits, it is a dangerous game to play, since there is no guarantee that such an investor will still be around when the time to sell comes.

A postulate of sound investing is that an investor does not pay more for an **asset** than it's worth. This statement may seem logical and obvious, but it is forgotten and rediscovered at some time in every generation and in every market. There are those who are disingenuous enough to argue that value is in the eye of the beholder, and that any price can be justified if there are other investors willing to pay that price. That is patently absurd. Perceptions may be all that matter when the **asset** is a painting or a sculpture, but investors do not (and should not) buy most assets for aesthetic or emotional reasons; financial assets are acquired for the cash flows expected on them. Consequently, perceptions of value have to be backed up by reality, which implies that the price that is paid for any **asset** should reflect the cashflows it is expected to generate. The models of **valuation** described in this book attempt to relate value to the level and expected growth of these cash flows.

Hundreds of Thousands of Titles

# Low Prices

---

Over \$600 Million in Foregone Shipping Revenue <sup>(1)</sup>

AND

Everyday Low Pricing

Our objective is not to discount a small number of products for a limited period of time, but to offer low prices everyday and apply them broadly across our entire product range.

(1) Q307 TTM

# Free Shipping

U.S.

 FREE Super Saver Shipping on orders over \$25.

 amazon.com Prime

U.K.

FREE UK Delivery  
now on orders  
over £15  
[See details  
and conditions](#)

 amazon.co.uk Prime

Germany

Lieferung frei Haus!  
 Kostenlose Lieferung  
ab 20,00 EUR  
Bestellwert.

 amazon.de Prime

France

LIVRAISON GRATUITE  
pour tous les livres  
 [Voir conditions](#)

Japan

FREE Shipping 配送料 無料 1500円以上

 Amazon Prime™  


Canada

NEW Super Saver Shipping  
FREE on orders over \$39  
[See details](#) 

China

 joyo.com 卓越网  
超越平凡生活

购物满99元免配送费



# Amazon Web Services

---

## Our Developer Business

### Delivering Web-Scale Computing

Over 290,000 registered developers (Up 25K Q/Q)

10 different web service offerings, including:

- Amazon Simple Storage Service (Amazon S3)
- Amazon Elastic Compute Cloud (Amazon EC2)
- Amazon Flexible Payments Service (Amazon FPS)

Developer's Idea → AWS → Successful Product

# Amazon.com

---

## Summary

The Online Retail Model is Advantaged

We Face Many Challenges and Many Opportunities -- We Are:

- Relentlessly Improving Customer Experience -- Expanding Selection and Convenience While Lowering Prices
- Leveraging Our Platform
- Well Positioned for Growth
- Focused on Optimizing LT Free Cash Flow per Share

Innovation is the Foundation of Everything We Do

**Amazon***Prime*<sup>TM</sup>

Guilt-free express shipping everyday.

# Appendix

# Free Cash Flow

## Reconciliation -- TTM

(\$MM)

	<u>Q3 06</u>	<u>Q4 06</u>	<u>Q1 07</u>	<u>Q2 07</u>	<u>Q3 07</u>
Operating Cash Flow	\$587	\$702	\$726	\$895	\$1,001
Less: Purchases of Fixed Assets, including capitalized software development	<u>221</u>	<u>216</u>	<u>205</u>	<u>195</u>	<u>201</u>
Free Cash Flow	<u>\$366</u>	<u>\$486</u>	<u>\$521</u>	<u>\$700</u>	<u>\$800</u>

# Free Cash Flow

## Reconciliation -- TTM

(\$MM)

	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>
Operating Cash Flow	\$174	\$393	\$566	\$733	\$702
Less: Purchases of Fixed Assets, including capitalized software development	<u>39</u>	<u>46</u>	<u>89</u>	<u>204</u>	<u>216</u>
Free Cash Flow	<u>135</u>	<u>\$347</u>	<u>\$477</u>	<u>\$529</u>	<u>\$486</u>

# Consolidated Segment Operating Income

## Reconciliation

(\$MM)

	<u>Q3 06</u>	<u>Q4 06</u>	<u>Q1 07</u>	<u>Q2 07</u>	<u>Q3 07</u>
<b>Consolidated Segment Operating Income</b>	<b>\$ 72</b>	<b>\$ 229</b>	<b>\$ 179</b>	<b>\$ 165</b>	<b>\$177</b>
<b>Less:</b>					
<b>Stock-Based Compensation</b>	<b>30</b>	<b>30</b>	<b>34</b>	<b>46</b>	<b>51</b>
<b>Other Operating Expense (Income)</b>	<b>2</b>	<b>2</b>	<b>0</b>	<b>3</b>	<b>3</b>
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
<b>GAAP Operating Income</b>	<b><u>\$40</u></b>	<b><u>\$197</u></b>	<b><u>\$145</u></b>	<b><u>\$116</u></b>	<b><u>\$123</u></b>

# Consolidated Segment Operating Income

## Reconciliation -- TTM

(\$MM)

	<u>Q3 06</u>	<u>Q4 06</u>	<u>Q1 07</u>	<u>Q2 07</u>	<u>Q3 07</u>
Consolidated Segment Operating Income	\$457	\$500	\$560	\$645	\$749
Less:					
Stock-Based Compensation	87	101	124	140	161
Other Operating Expense (Income)	<u>13</u>	<u>10</u>	<u>7</u>	<u>7</u>	<u>7</u>
GAAP Operating Income	<u>\$357</u>	<u>\$389</u>	<u>\$429</u>	<u>\$498</u>	<u>\$581</u>



# Consolidated Segment Operating Income

## Reconciliation -- TTM

(\$MM)

	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>
Consolidated Segment Operating Income	\$180	\$361	\$490	\$566	\$500
Less:					
Stock-Based Compensation	69	88	58	87	101
Other Operating Expense (Income)	<u>47</u>	<u>3</u>	<u>(8)</u>	<u>47</u>	<u>10</u>
GAAP Operating Income	<u>\$64</u>	<u>\$270</u>	<u>\$440</u>	<u>\$432</u>	<u>\$389</u>