



**Q1 2007 Financial Results
Conference Call Slides**

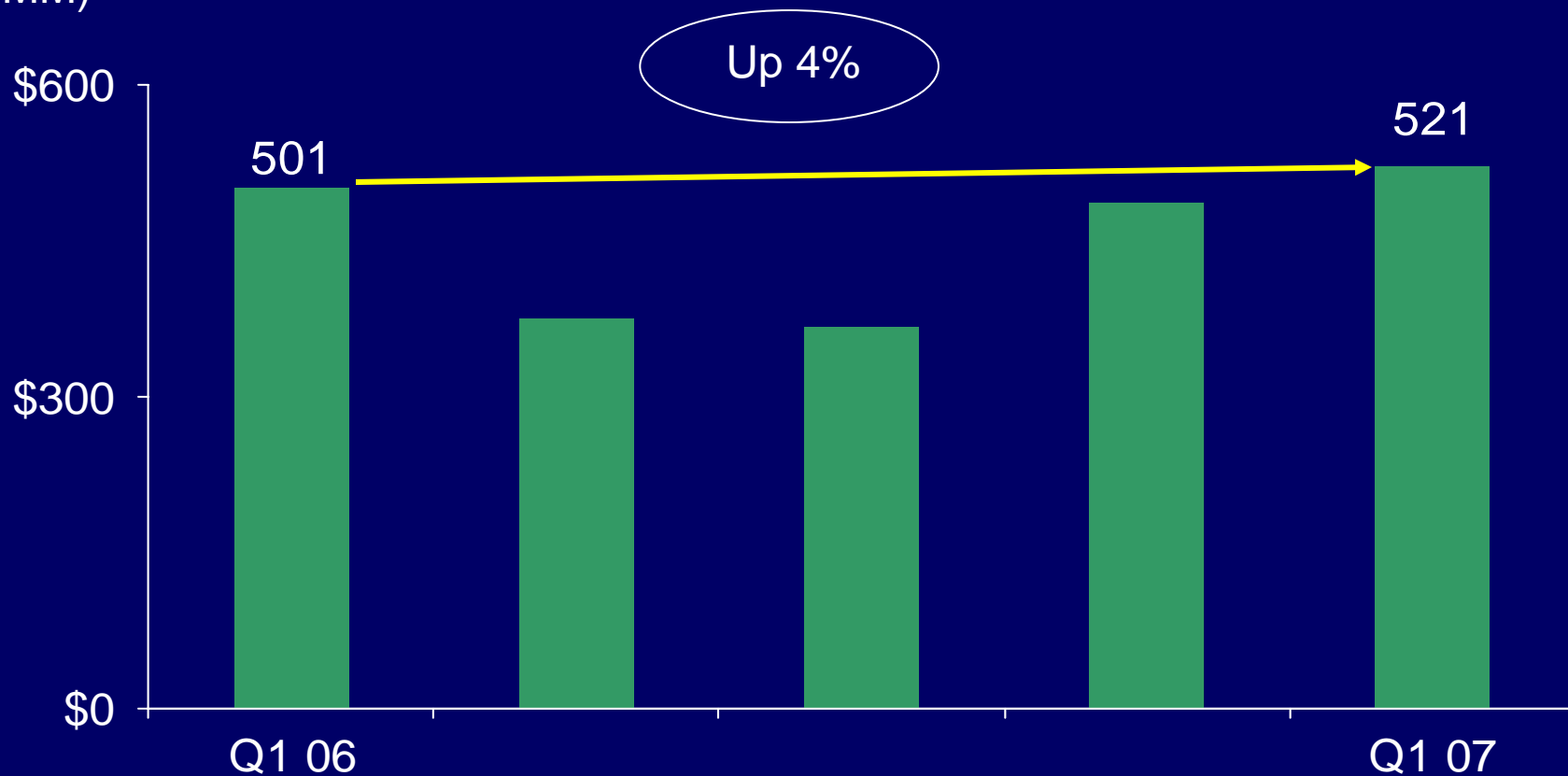
Amazon.com

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 under 'Financial Documents'.

Our Results

Free Cash Flow -- TTM ⁽¹⁾ ⁽²⁾
(\$MM)

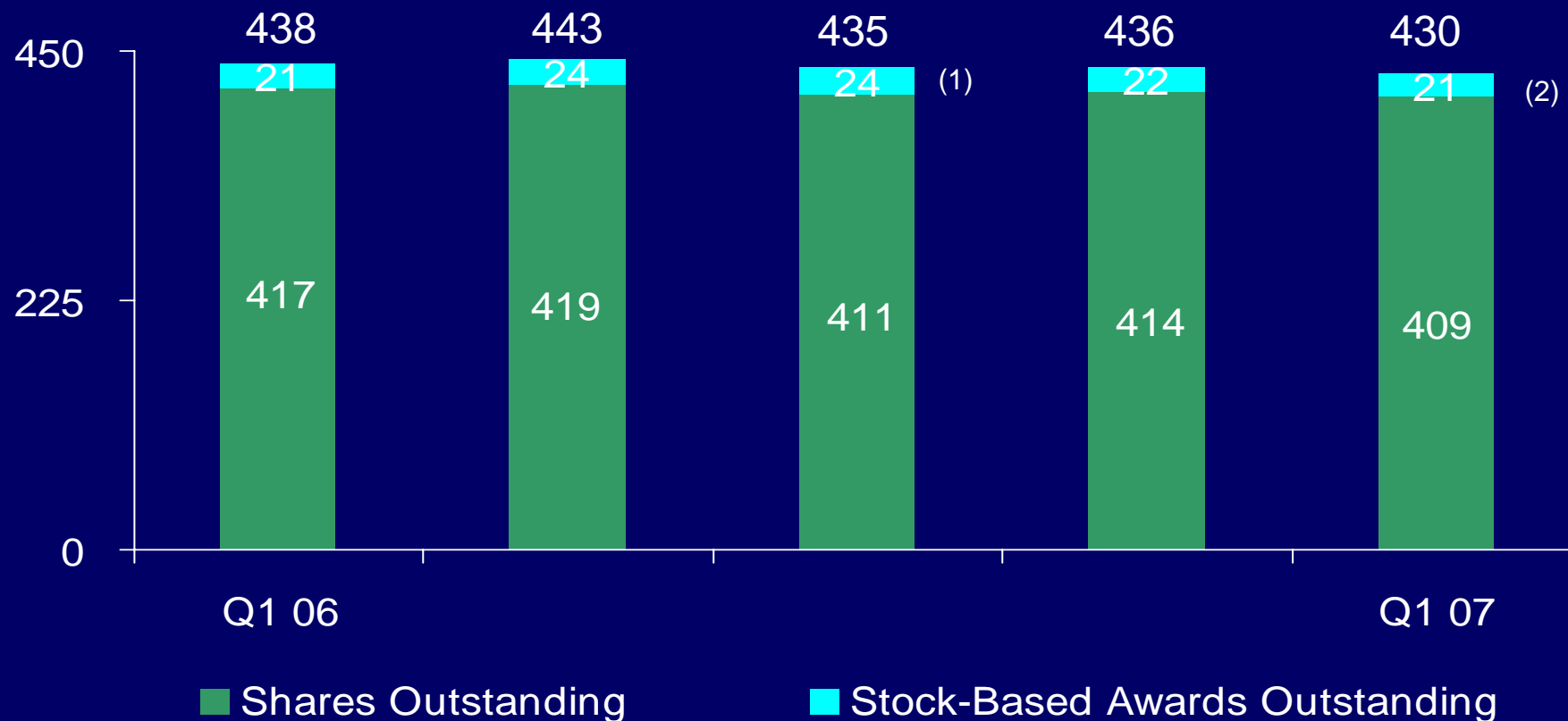


Long Term Goal -- Optimize Free Cash Flow Per Share

- (1) Free cash flow is a non-GAAP financial measure. See the appendix for reconciliation of free cash flow to operating cash flow.
- (2) In Q3 05, the Company settled a patent lawsuit on terms including a one time payment of \$40 MM. This negatively impacts TTM free cash flow for all periods that include Q3 05.

Our Results

Shares
(MM)

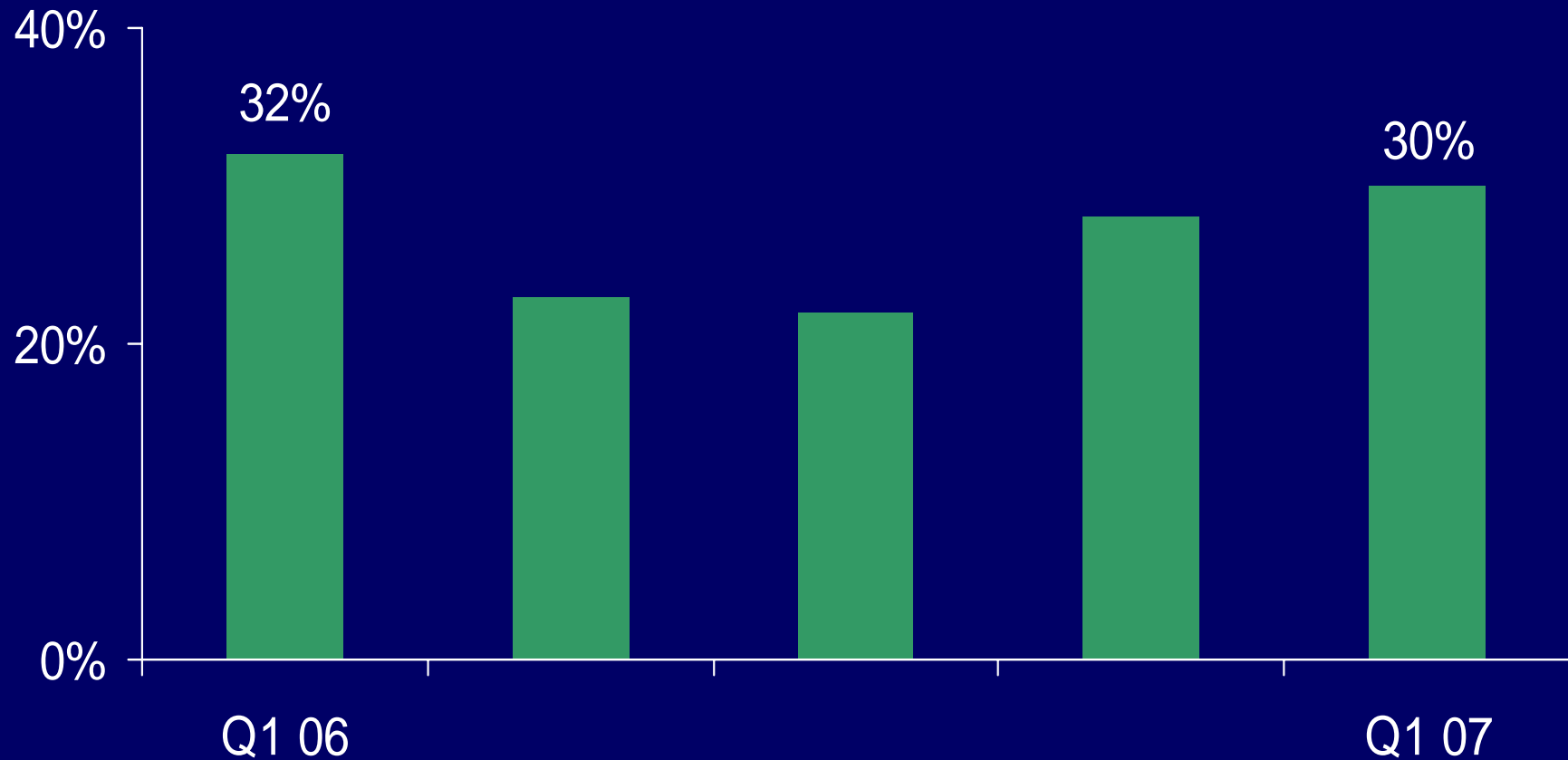


Efficiently Managing Dilution -- Down 2% Y/Y

- (1) During Q3 06 the Company repurchased 8 million shares, or \$252 million under its August 2006 authorization to repurchase up to \$500 million of the Company's Common Stock.
- (2) During Q1 07 the Company repurchased 6 million shares, or \$248 million completing its August 2006 authorization to repurchase up to \$500 million of the Company's Common Stock.

Our Results

Return on Invested Capital -- TTM ⁽¹⁾

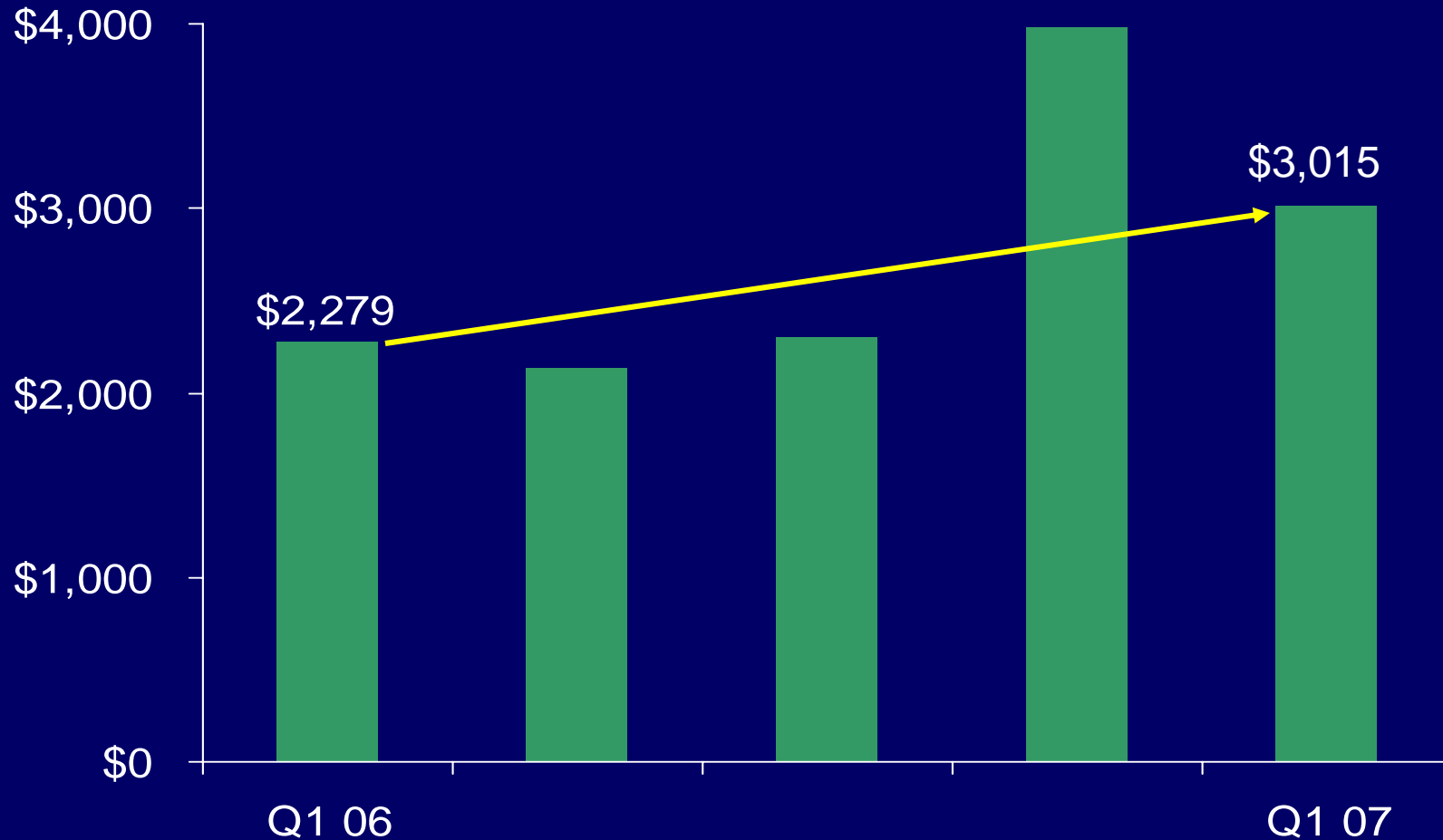


Long-term Expectation: Triple Digit ROIC

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

Our Results

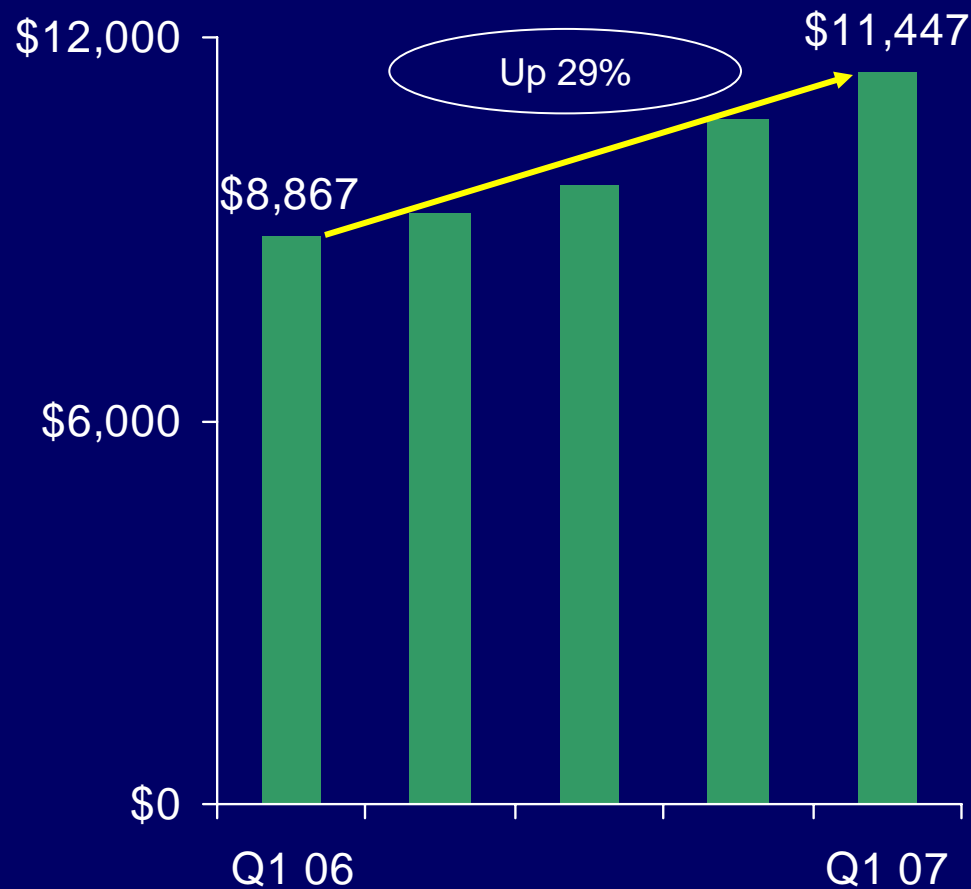
Net Sales (\$MM)



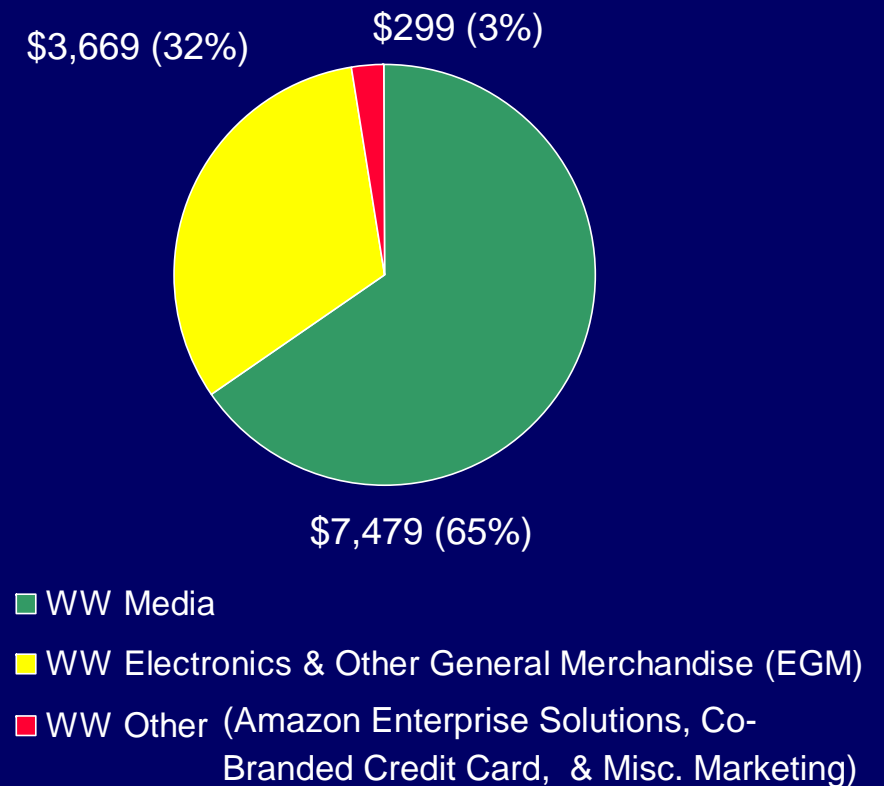
Up 32% Y/Y (29% F/X Adjusted)

Our Results

Net Sales -- TTM (\$MM)



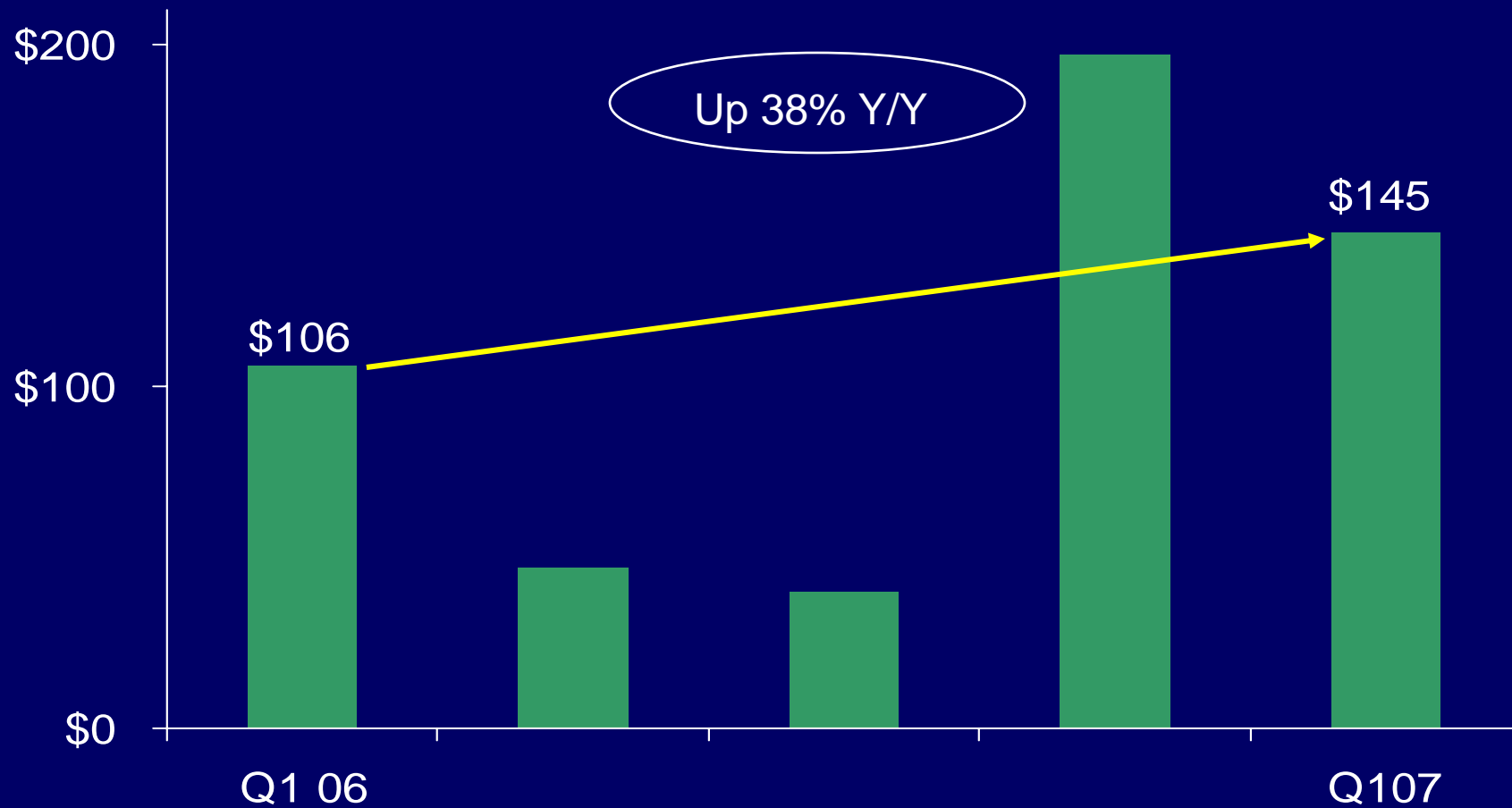
WW Revenue Mix



32% of WW Revenue From EGM

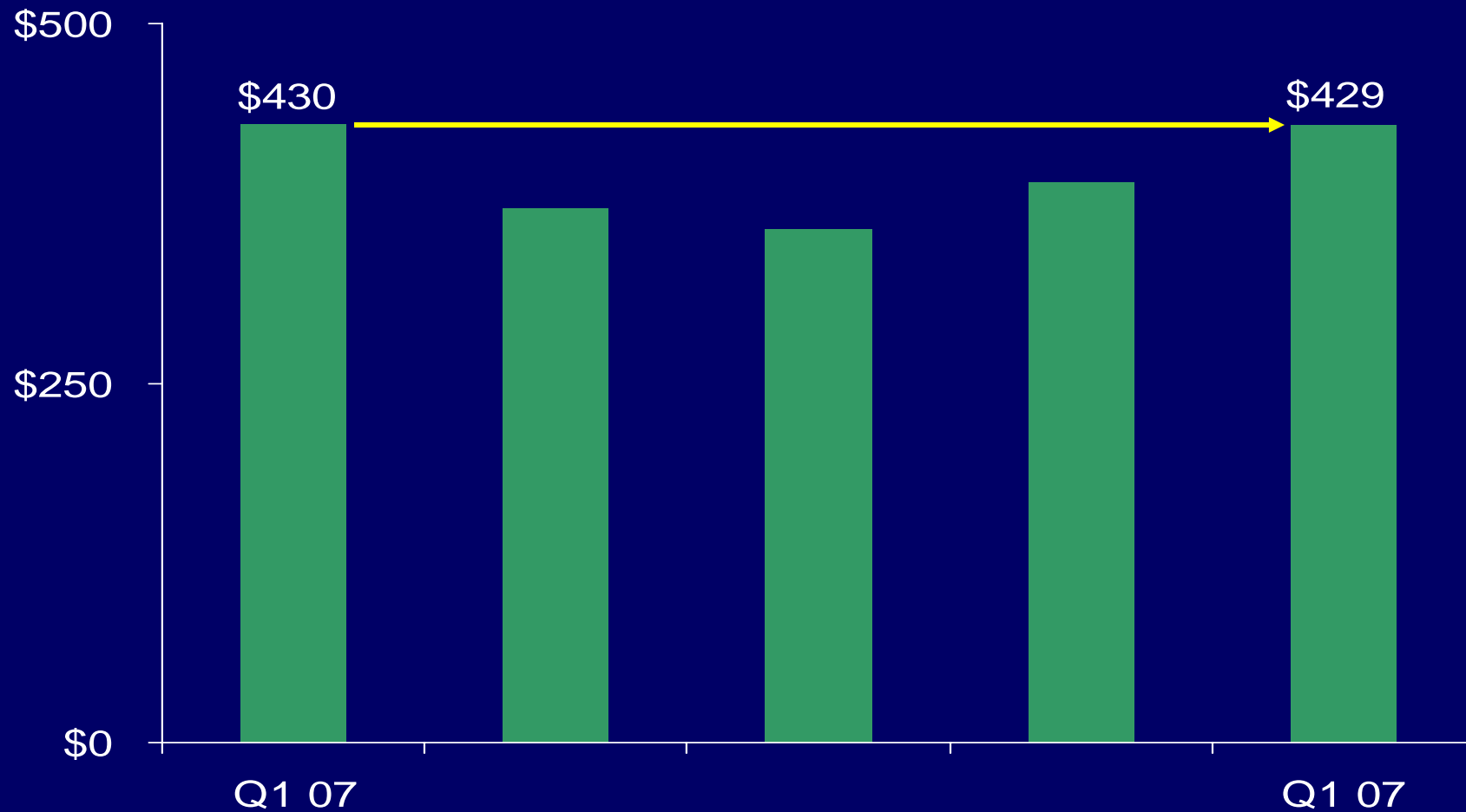
Our Results

GAAP Operating Income (\$MM)



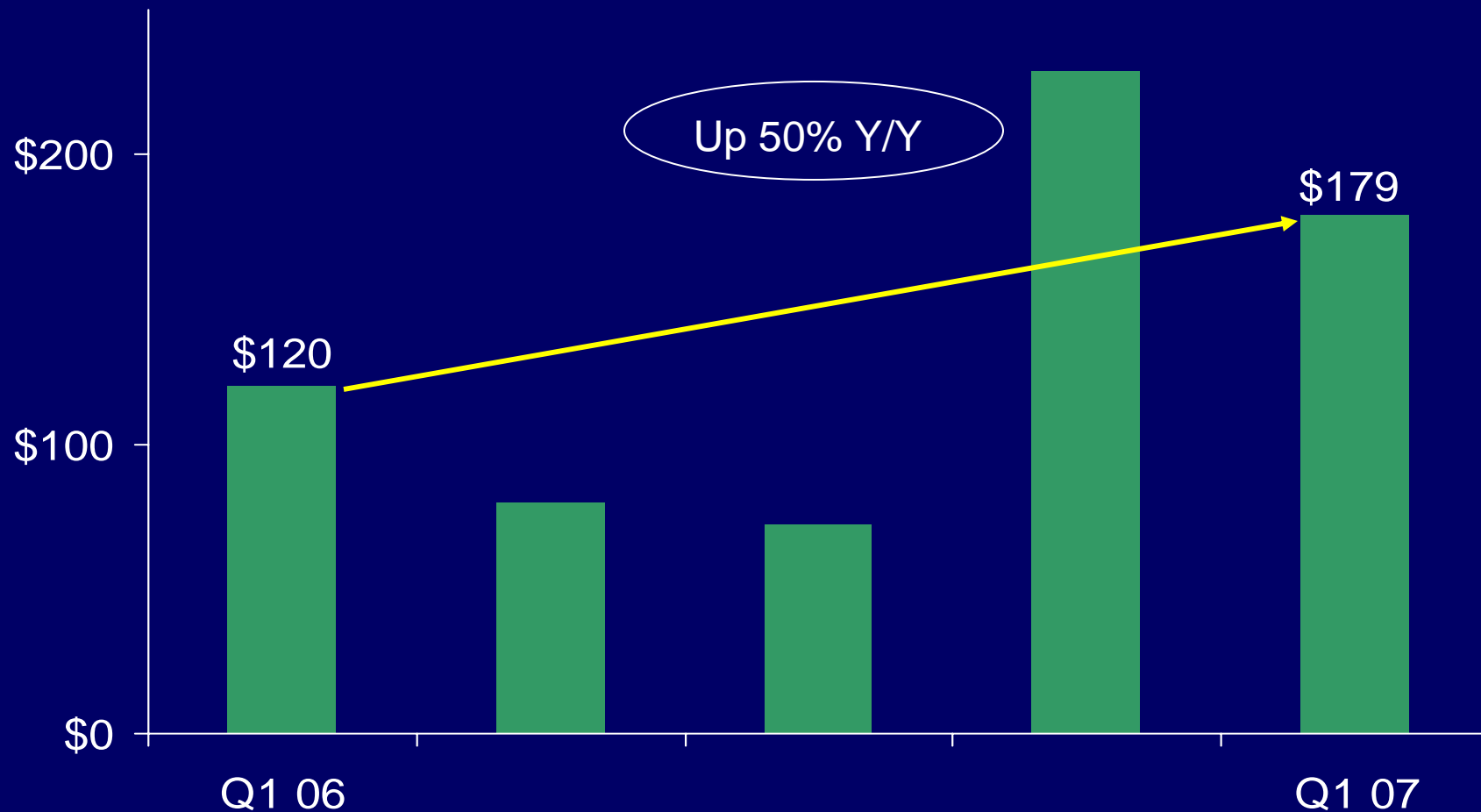
Our Results

GAAP Operating Income -- TTM (\$MM)



Our Results

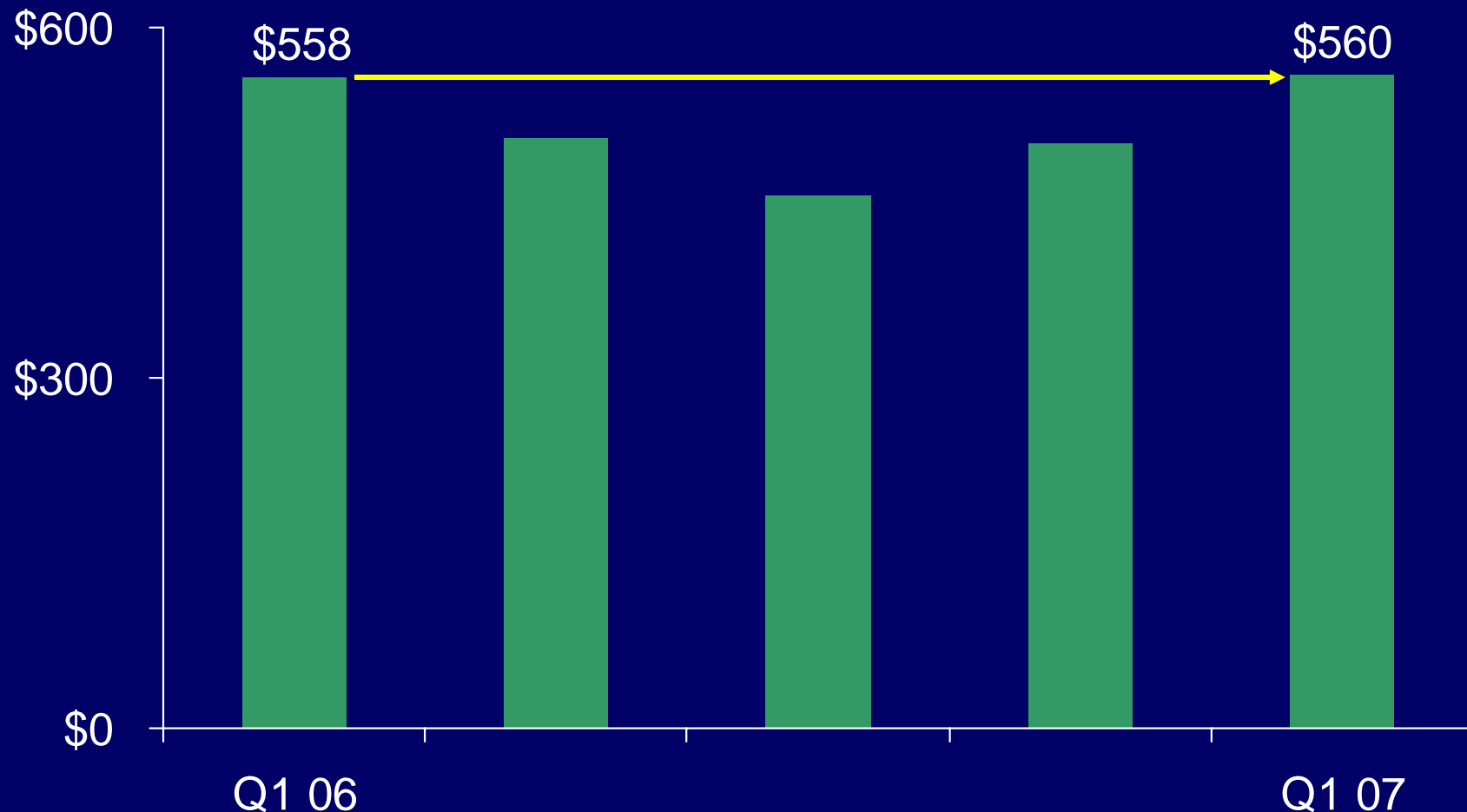
Consolidated Segment Operating Income ⁽¹⁾ (\$MM)



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

Our Results

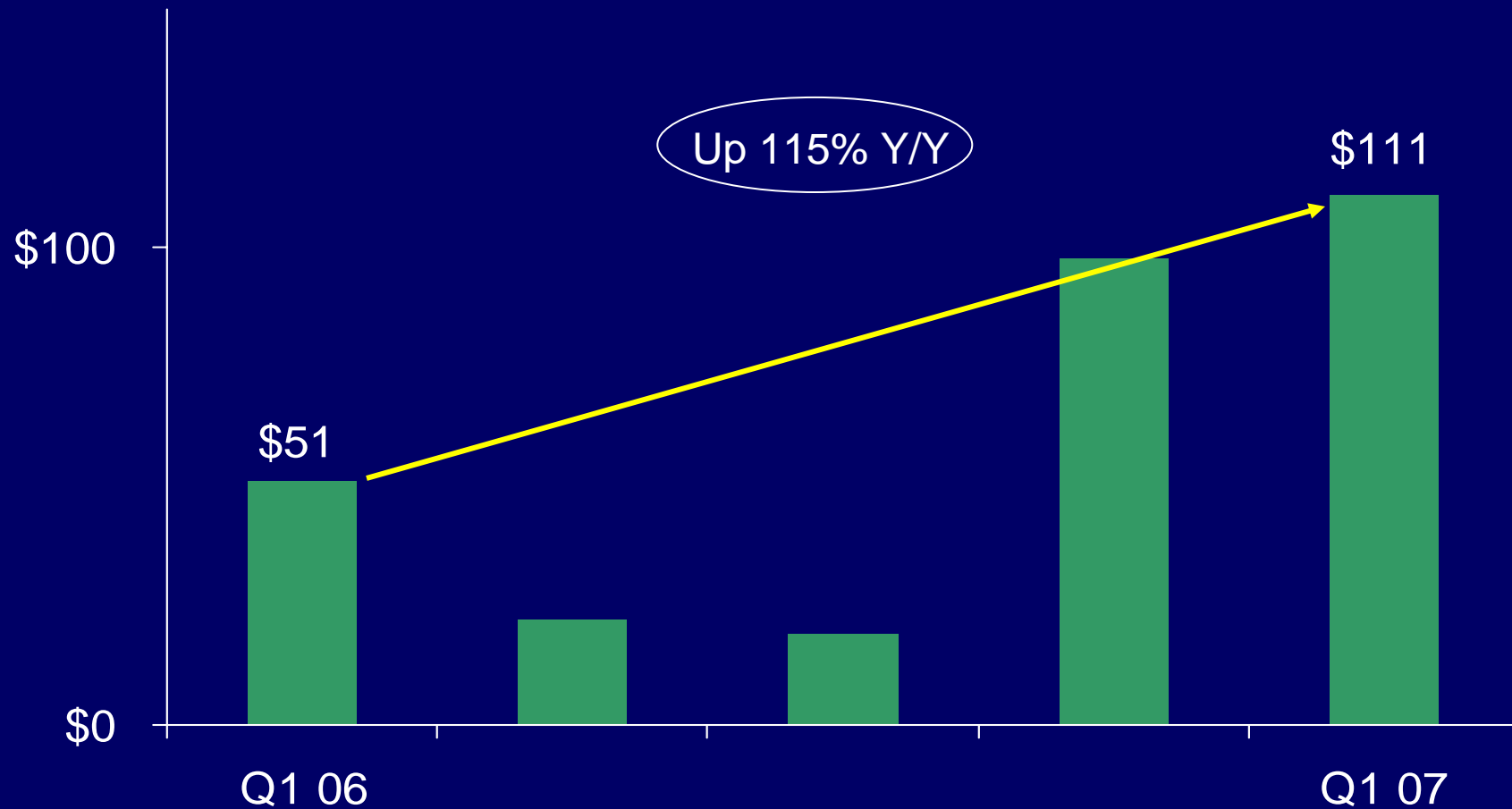
Consolidated Segment Operating Income -- TTM ⁽¹⁾ (\$MM)



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

Our Results

GAAP Net Income (\$MM)



Segment Results

North America

(\$MM)

Net Sales



Segment Operating Income ⁽¹⁾



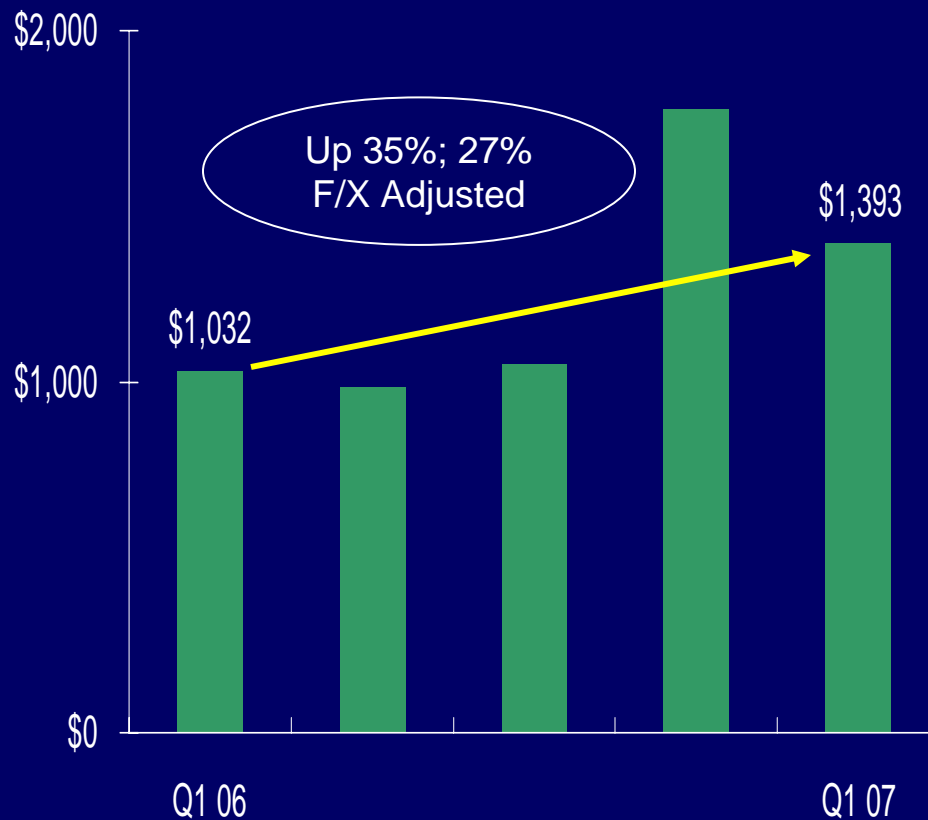
TTM Net Sales Over \$6.2 Billion

(1) A significant 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.

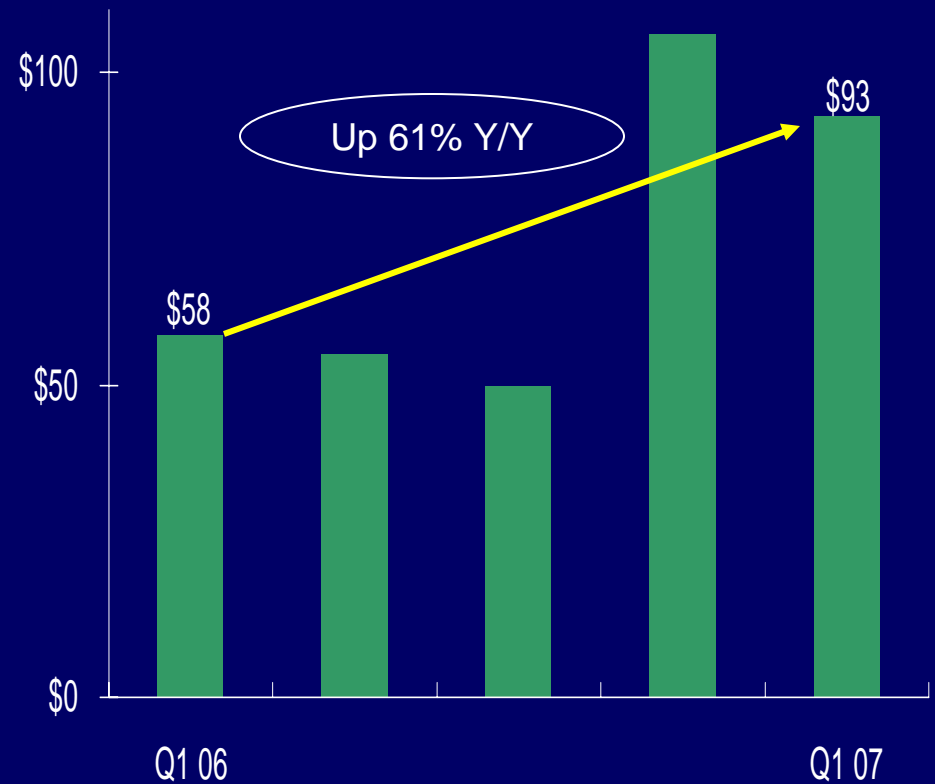
Segment Results

International (\$MM)

Net Sales



Segment Operating Income



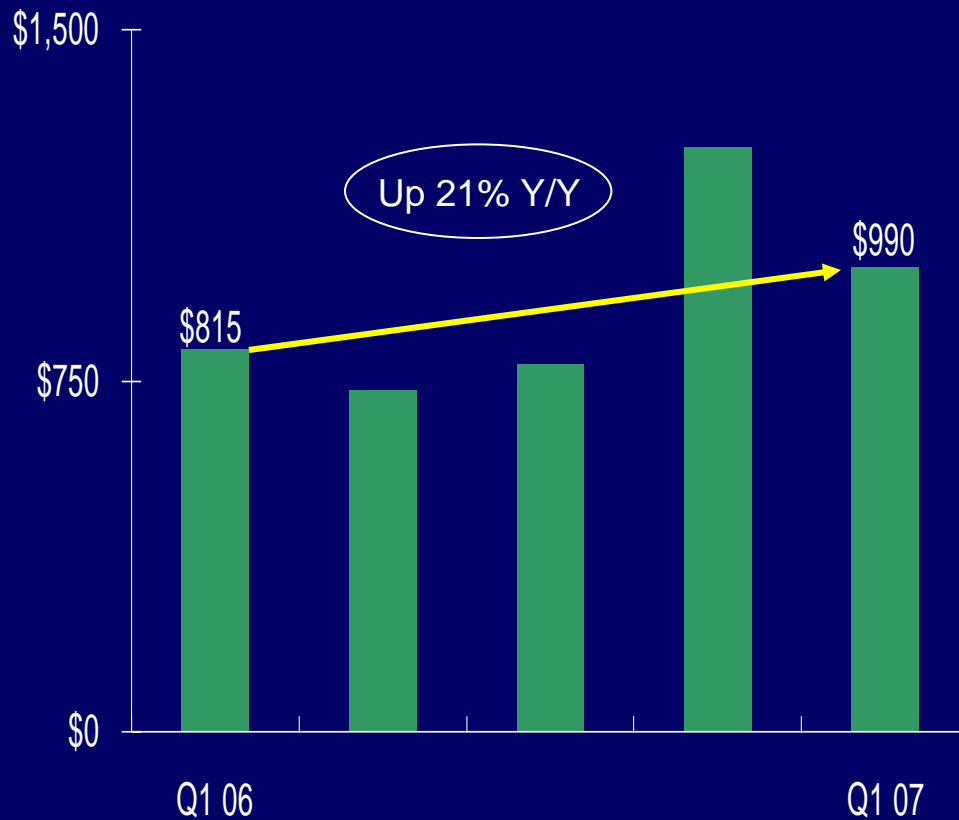
TTM Net Sales Over \$5.2 Billion

Supplemental Revenue Highlights

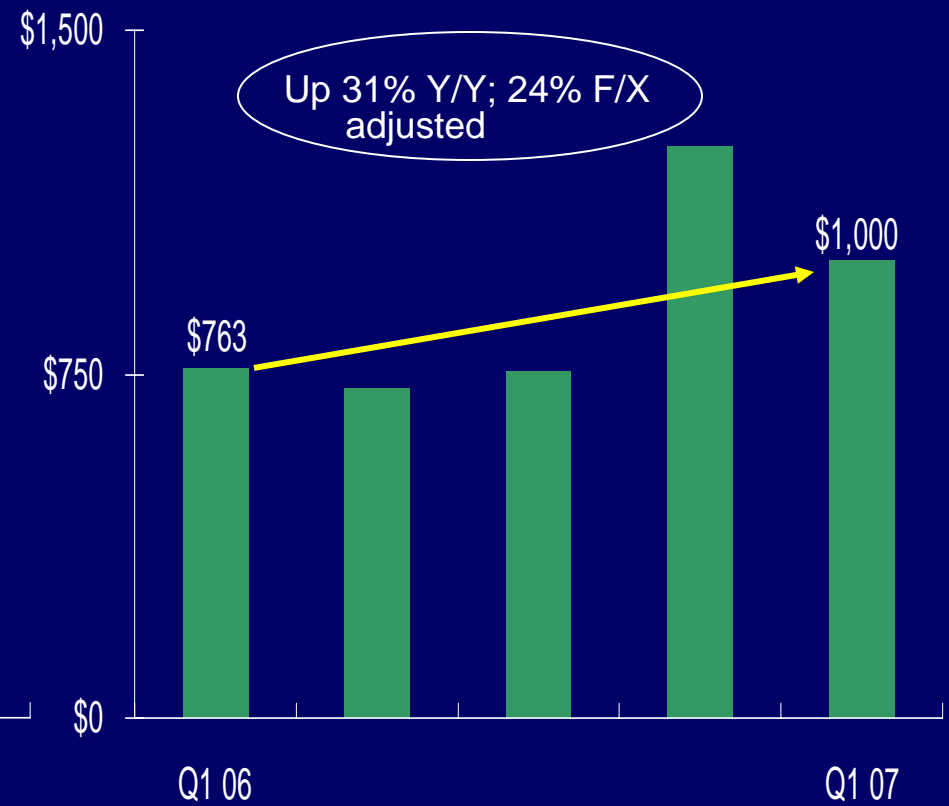
Media

(\$MM)

North America



International



Books, Music, DVD/Video, Magazines, Software & Video Games

Supplemental Revenue Highlights

Electronics and Other General Merchandise (EGM) (\$MM)

North America

International

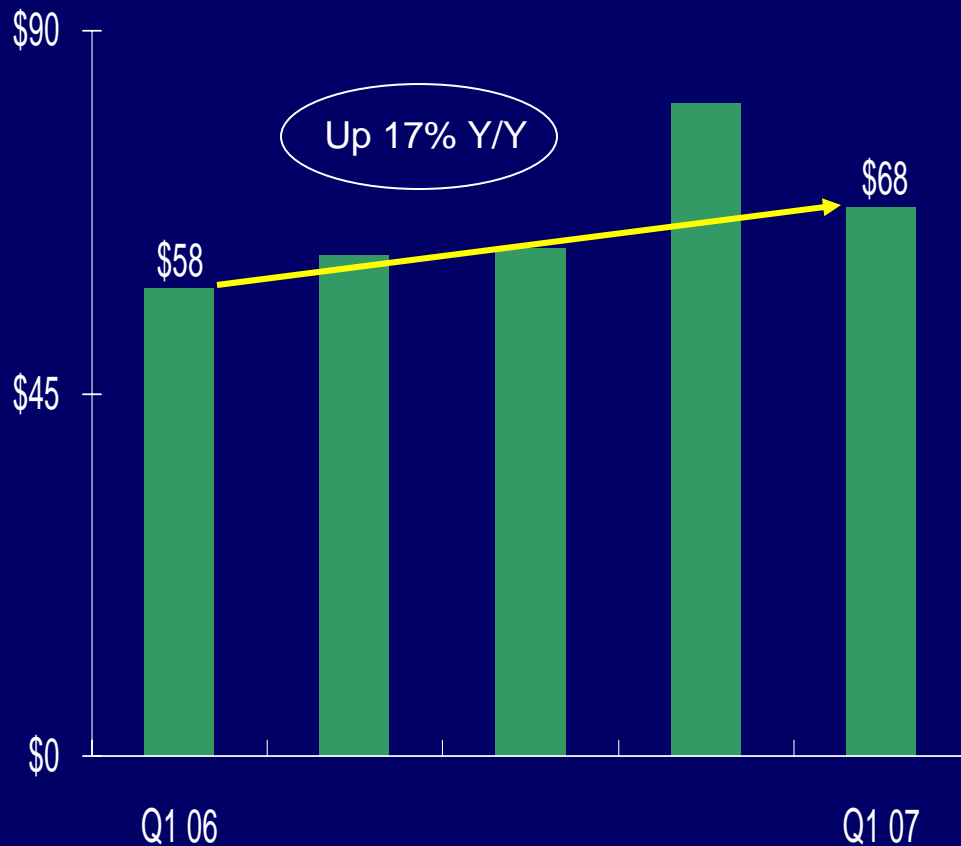


Electronics, Office, Tools, Toys & Baby, Home & Garden, Apparel, Shoes, Sports & Fitness, Jewelry & Watches, Gourmet Food, Health and Beauty, Grocery, and Other

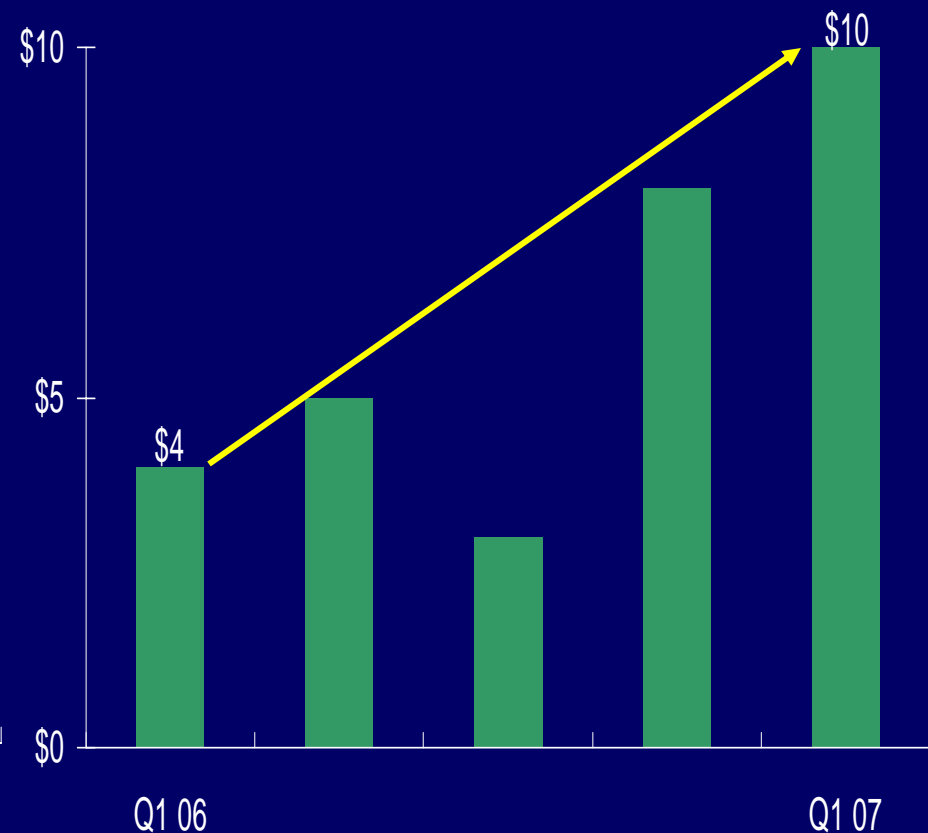
Supplemental Revenue Highlights

Other
(\$MM)

North America



International



Amazon Enterprise Solutions, Co-branded Credit Cards, & Miscellaneous Marketing

amazon.com[®]
and you're done.[™]

Appendix

Free Cash Flow

Reconciliation -- TTM

(\$MM)

	<u>Q1 06</u>	<u>Q2 06</u>	<u>Q3 06</u>	<u>Q4 06</u>	<u>Q1 07</u>
Operating Cash Flow	\$724	\$610	\$587	\$702	\$726
Less: Purchases of Fixed Assets, Including Internal-Use Software and Website Development	<u>223</u>	<u>235</u>	<u>221</u>	<u>216</u>	<u>205</u>
Free Cash Flow	<u>\$501</u>	<u>\$375</u>	<u>\$366</u>	<u>\$486</u>	<u>\$521</u>

Consolidated Segment Operating Income

Reconciliation

(\$MM)

	<u>Q1 06</u>	<u>Q2 06</u>	<u>Q3 06</u>	<u>Q4 06</u>	<u>Q1 07</u>
Consolidated Segment Operating Income	\$ 120	\$ 80	\$ 72	\$ 229	\$179
Less:					
Stock-Based Compensation	11	30	30	30	34
Other Operating Expense	<u>3</u>	<u>3</u>	<u>2</u>	<u>2</u>	<u>0</u>
GAAP Operating Income	<u><u>\$106</u></u>	<u><u>\$47</u></u>	<u><u>\$40</u></u>	<u><u>\$197</u></u>	<u><u>\$145</u></u>

Consolidated Segment Operating Income

Reconciliation -- TTM

(\$MM)

	<u>Q1 06</u>	<u>Q2 06</u>	<u>Q3 06</u>	<u>Q4 06</u>	<u>Q1 07</u>
Consolidated Segment Operating Income	\$558	\$506	\$457	\$500	\$560
Less:					
Stock-Based Compensation	79	84	87	101	124
Other Operating Expense	<u>49</u>	<u>50</u>	<u>13</u>	<u>10</u>	<u>7</u>
GAAP Operating Income	<u>\$430</u>	<u>\$372</u>	<u>\$357</u>	<u>\$389</u>	<u>\$429</u>