

amazon.com

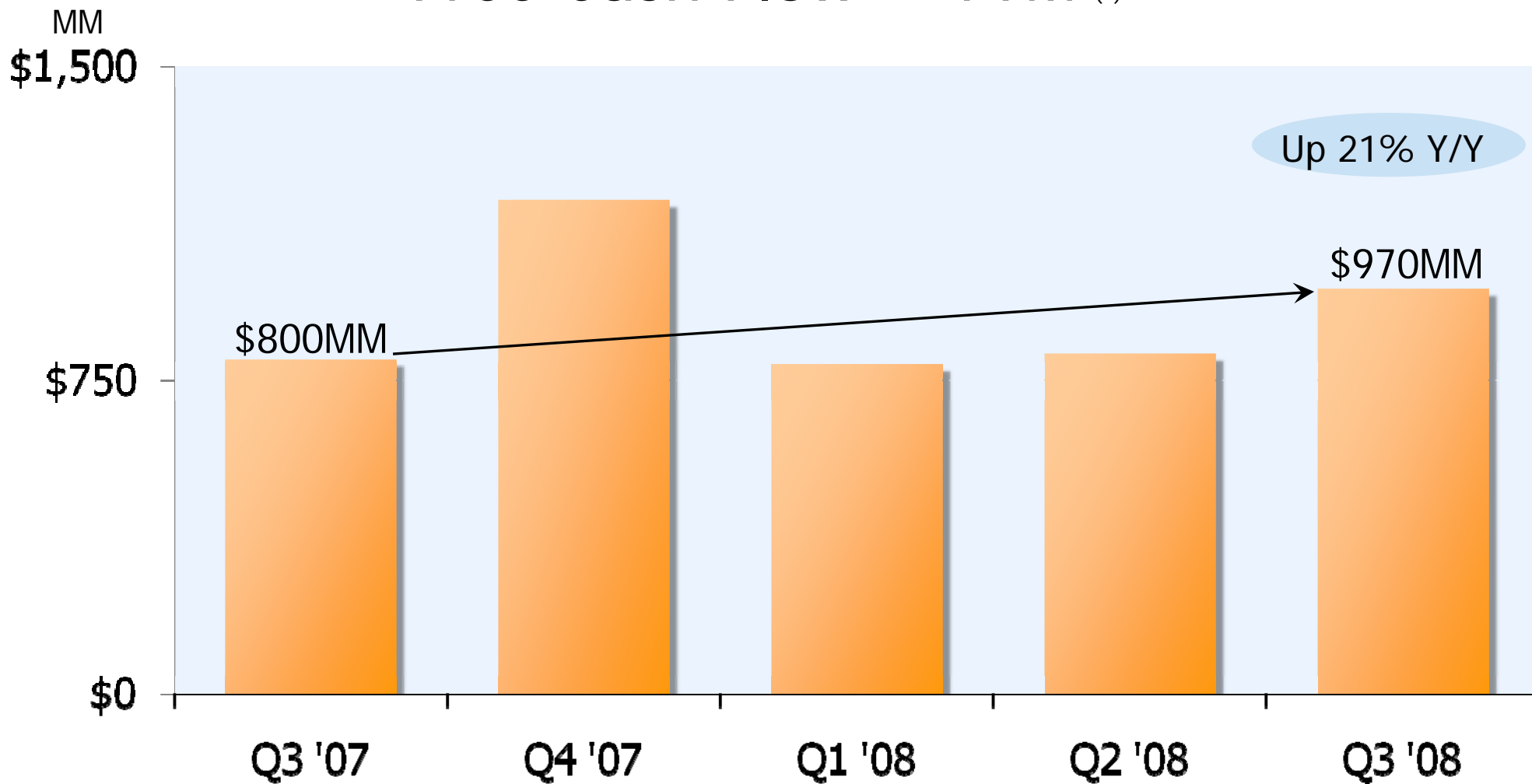
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Q3 2008 Financial Results
Conference Call Slides

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 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, indebtedness, government regulation and taxation, payments, and fraud. In addition, the recent disruption in the global financial markets amplify 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 Annual Report on Form 10-K for the year ended December 31, 2007, 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 under 'Financial Documents'.

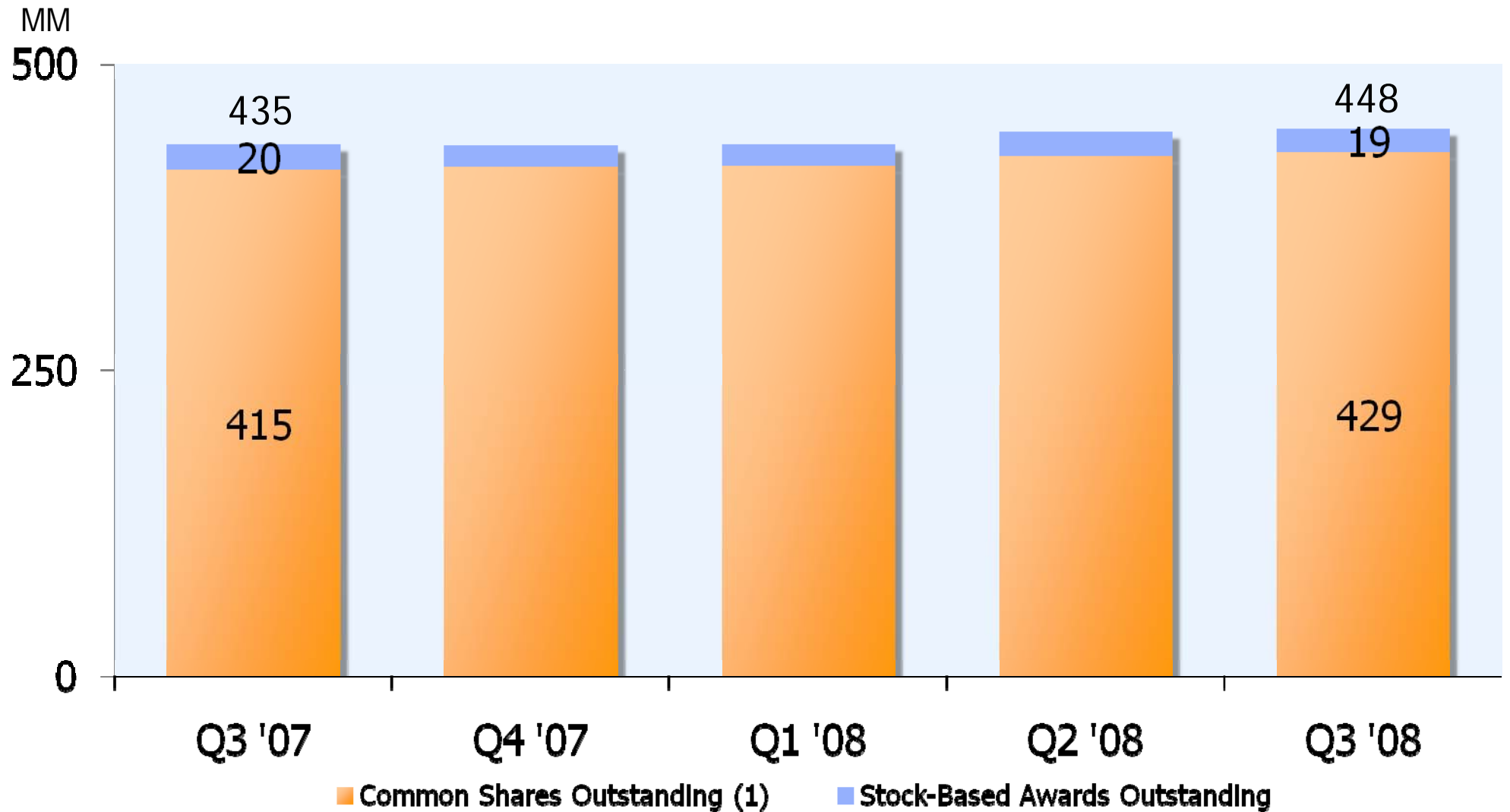
Free Cash Flow -- TTM ⁽¹⁾



Long Term Goal – Optimize Free Cash Flow Per Share

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

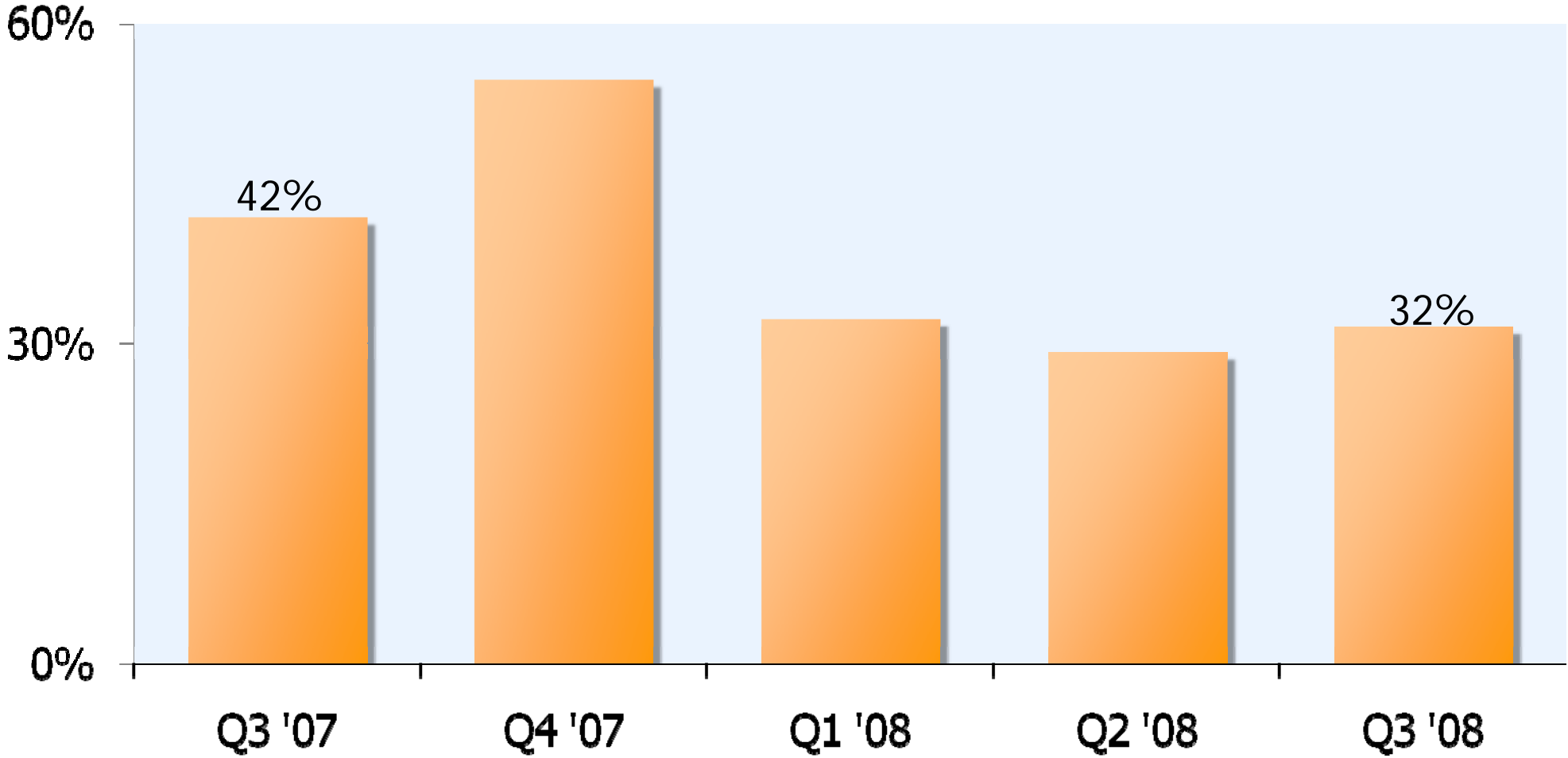
Shares



Efficiently Managing Dilution – Up 3% Y/Y

(1) Does not include shares issuable upon conversion of outstanding convertible debt.

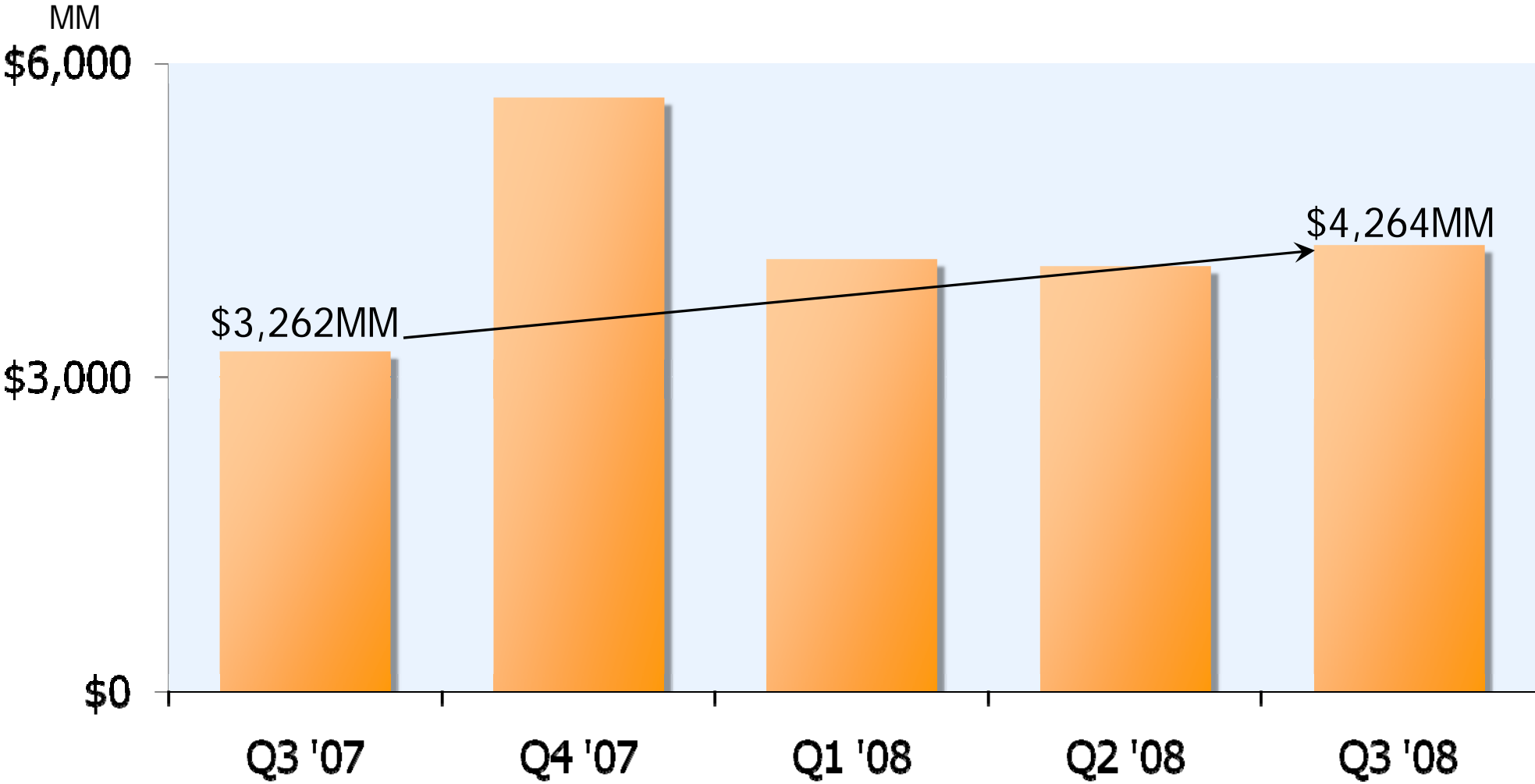
Return on Invested Capital -- TTM ⁽¹⁾



Long Term Expectation – Triple Digit ROIC

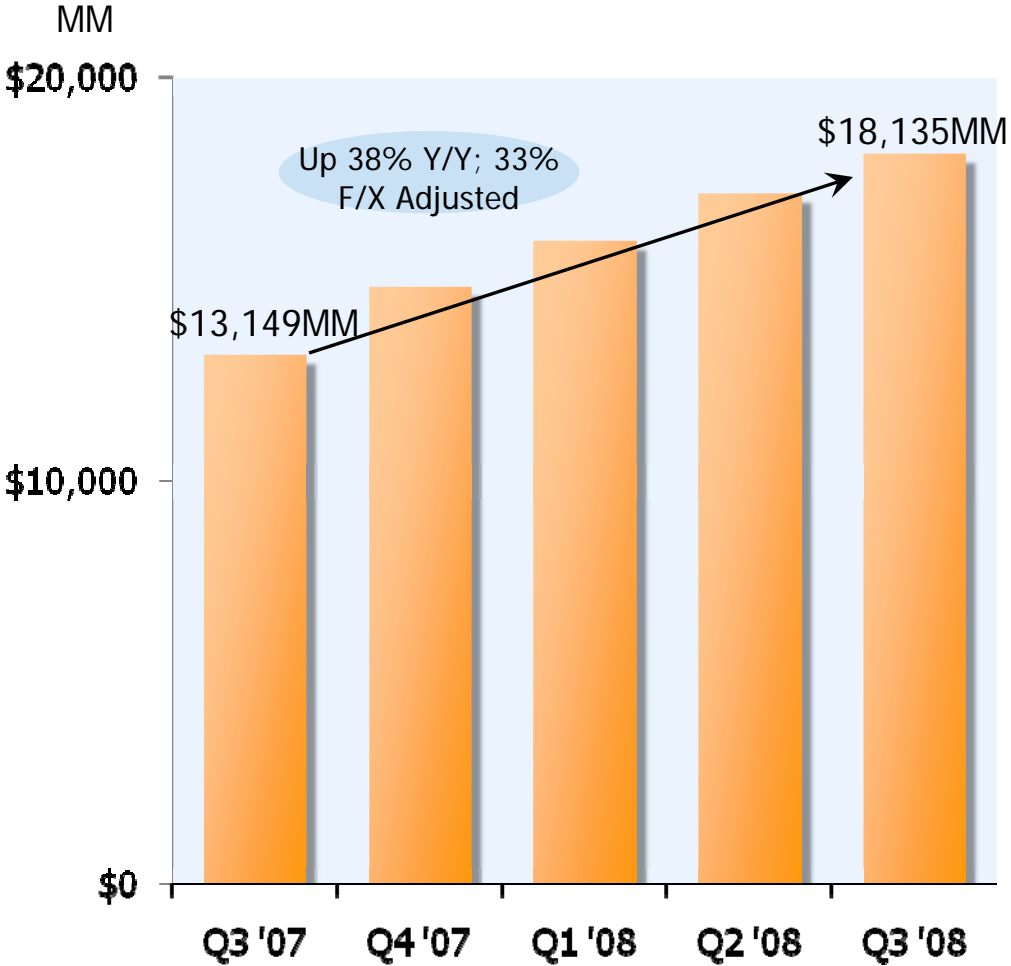
(1) ROIC = TTM Free Cash Flow divided by average Total Assets minus Current Liabilities, excluding Current Portion of our Long Term Debt, over 5 quarter ends.

Net Sales

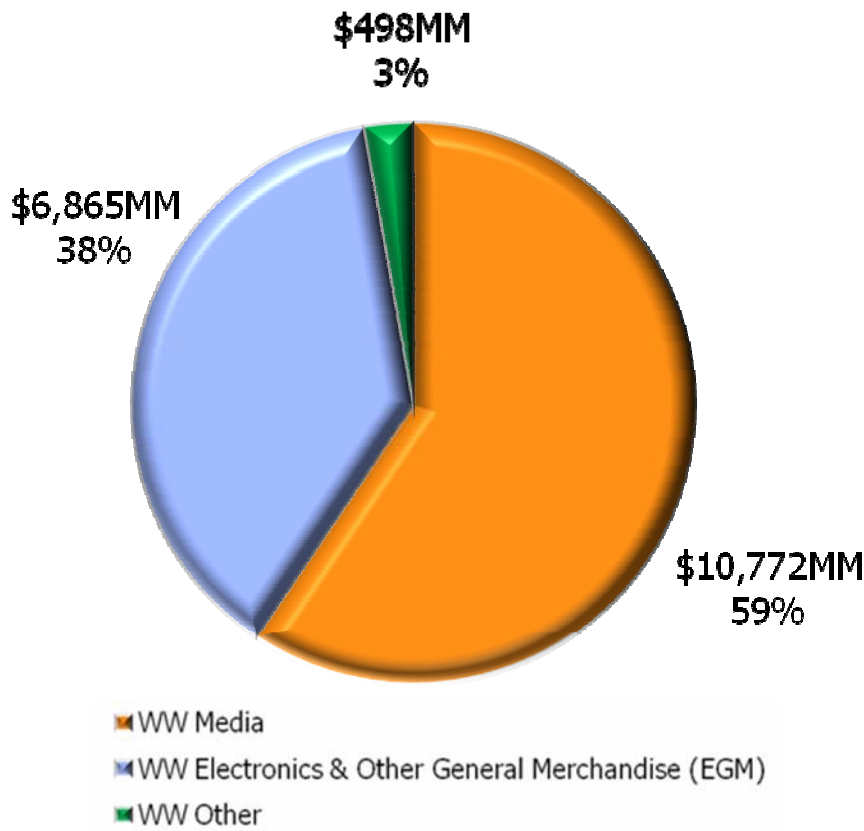


Up 31% Y/Y (28% F/X Adjusted)

Net Sales -- TTM

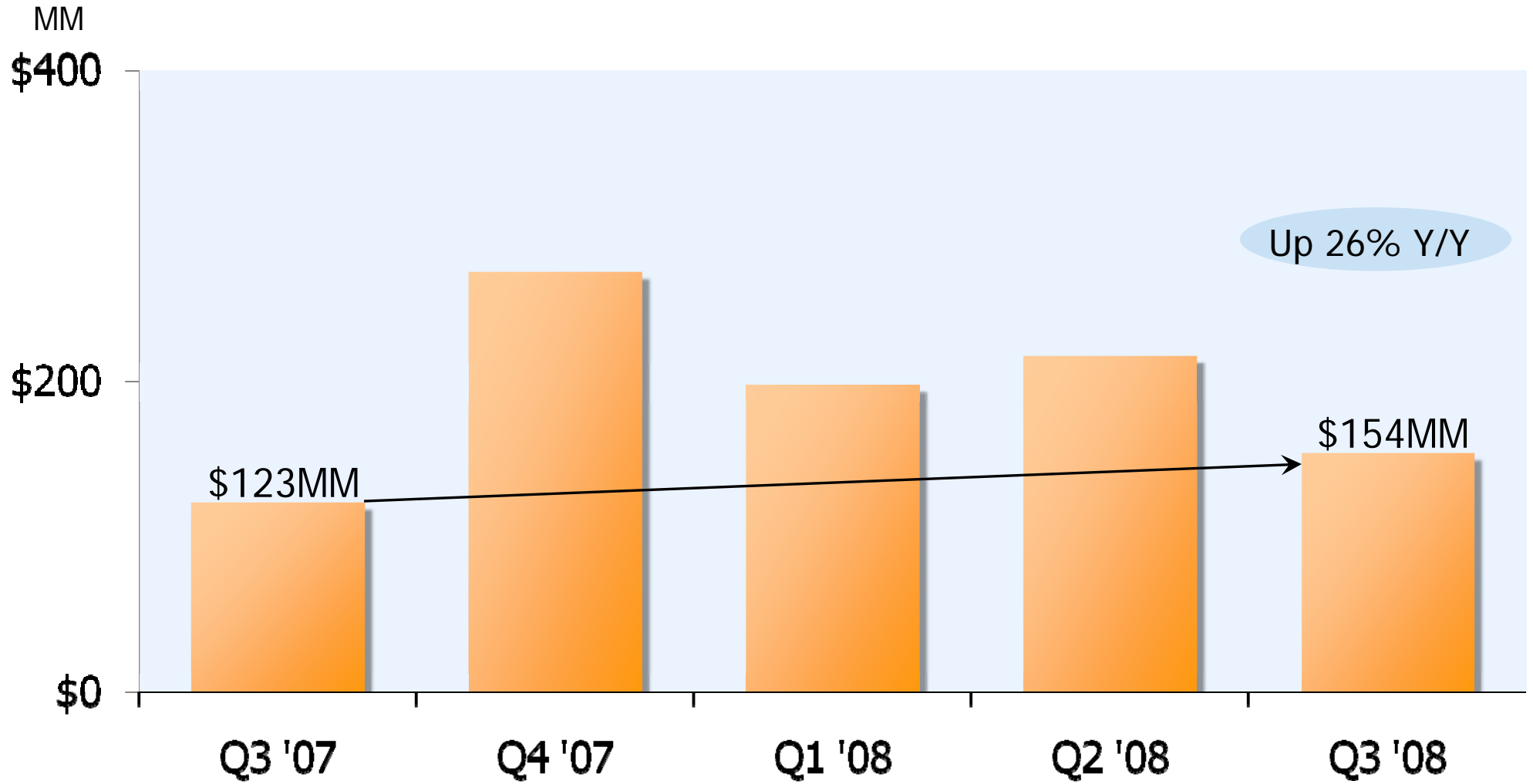


WW Revenue Mix

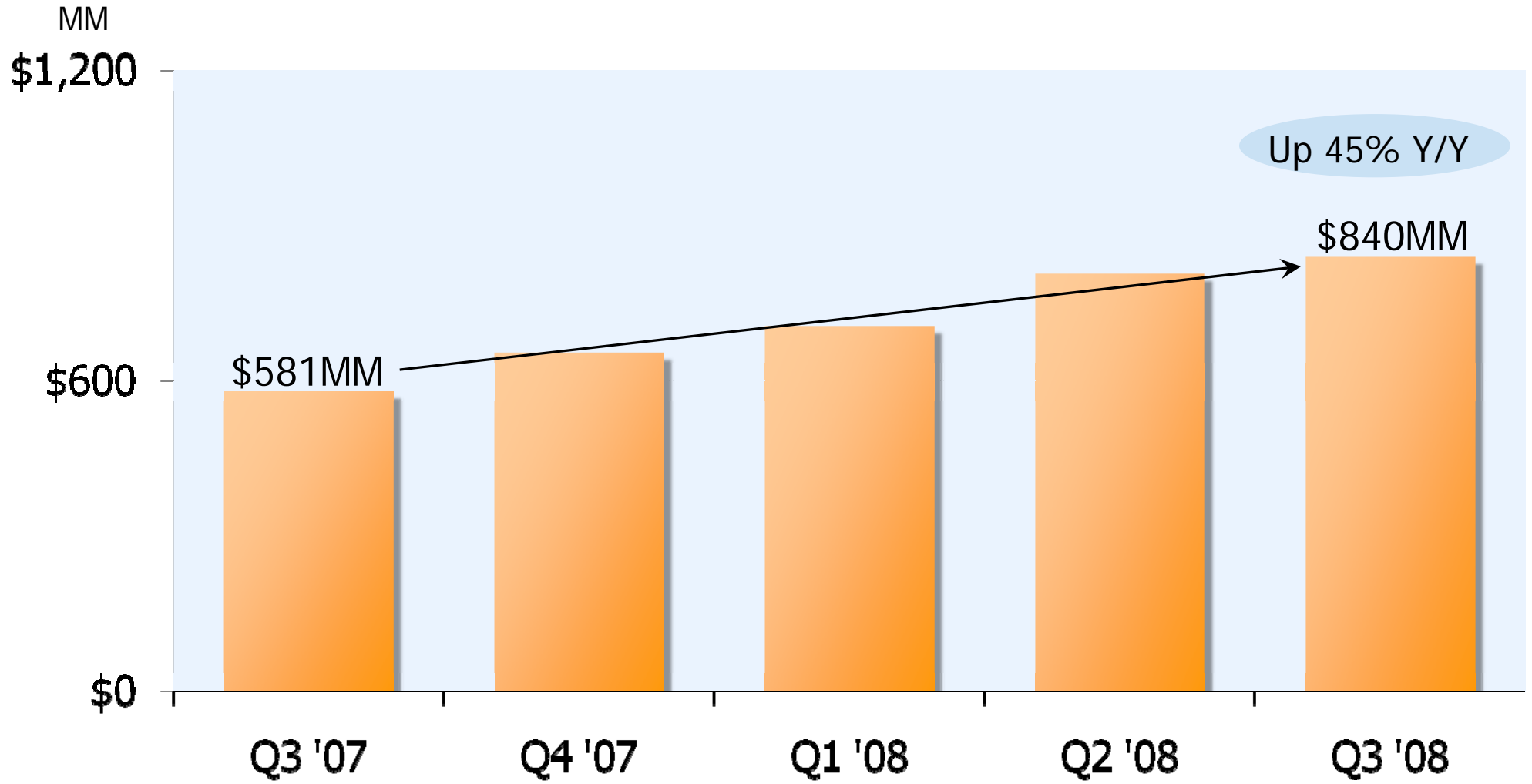


38% of WW TTM Revenue from EGM, Up From 33% Y/Y

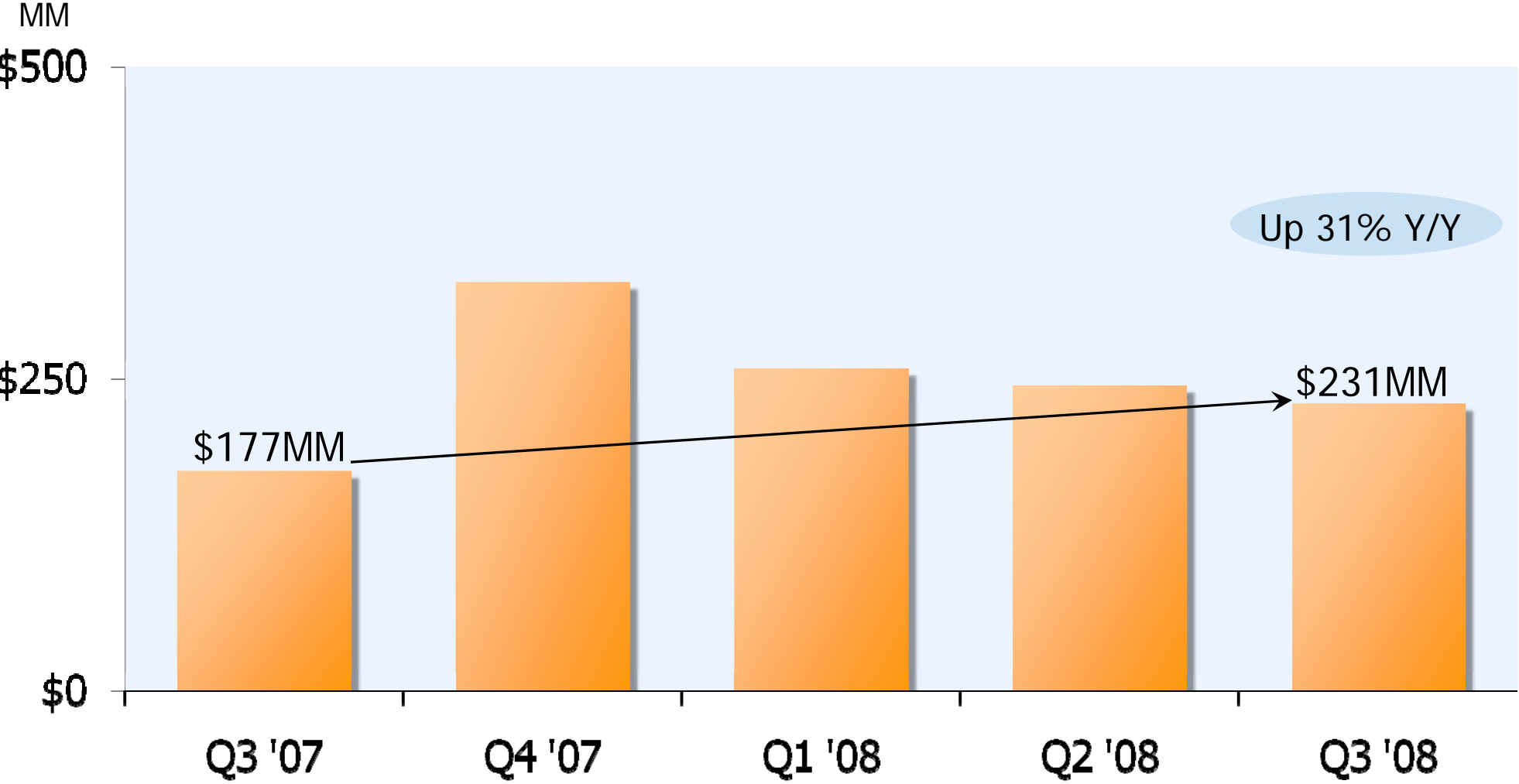
GAAP Operating Income



GAAP Operating Income -- TTM

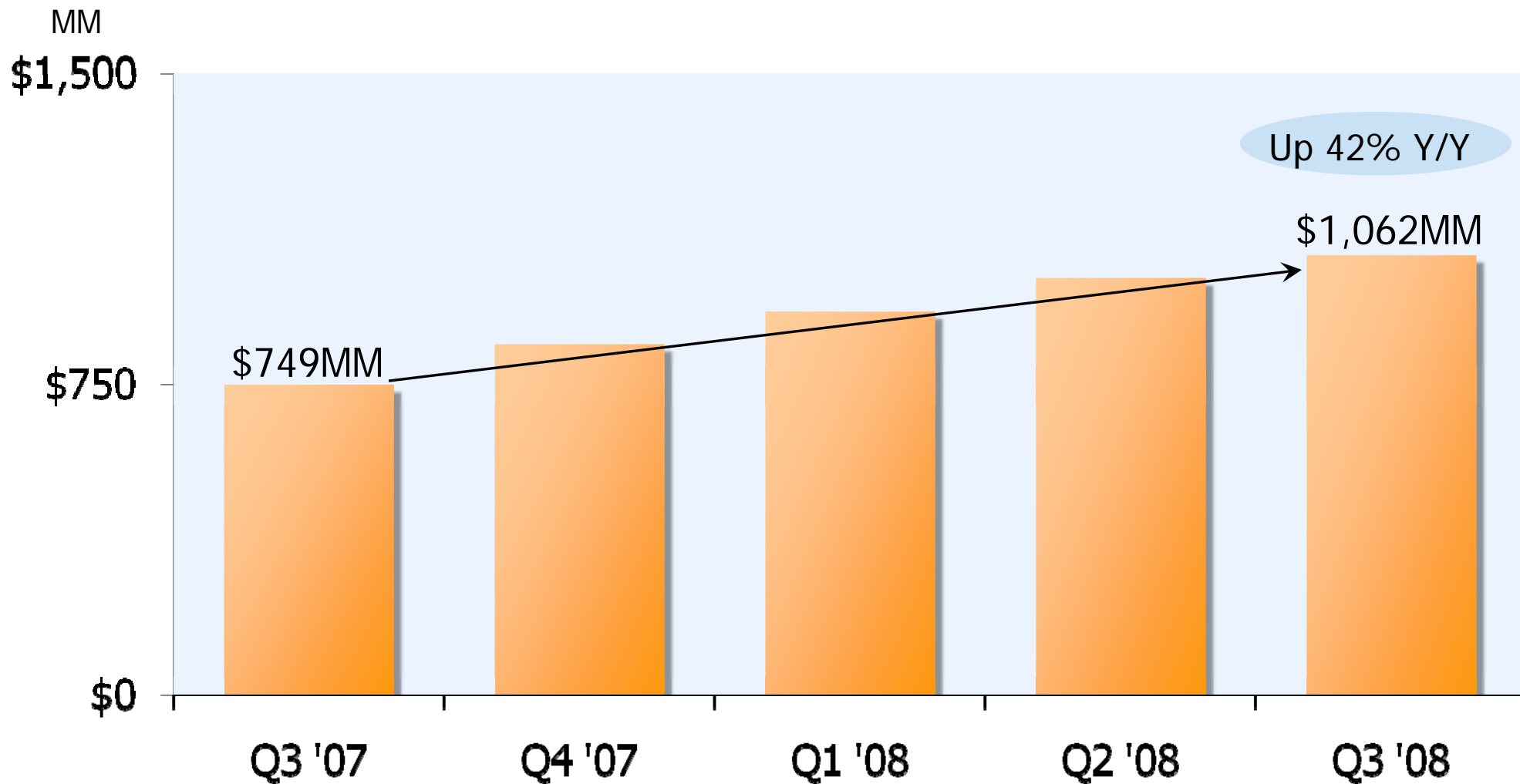


Consolidated Segment Operating Income ⁽¹⁾



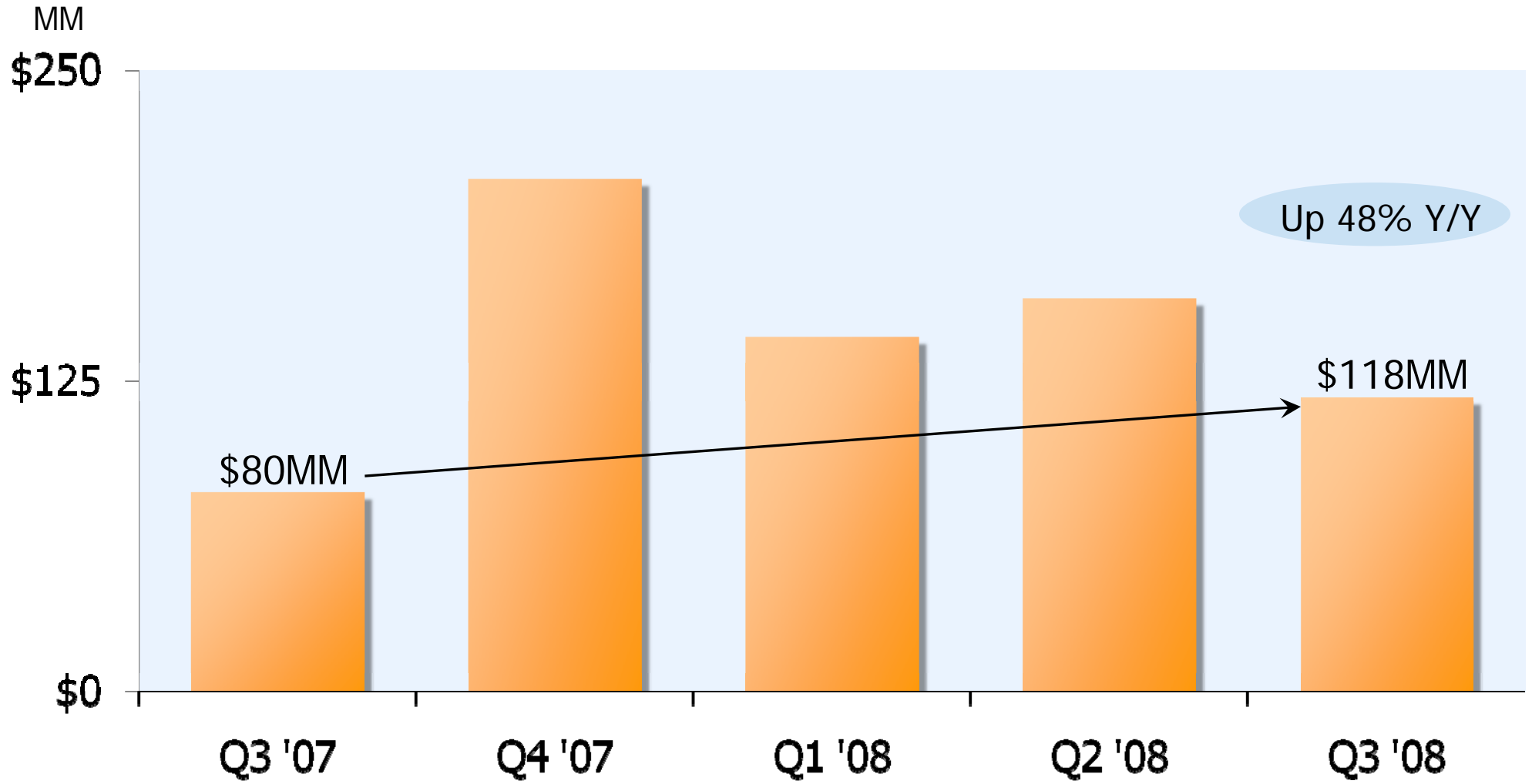
(1) Consolidated Segment Operating Income (CSOI), a non-GAAP financial measure, excludes Stock-Based Compensation and Other Operating Income (Expense). See appendix for a reconciliation of CSOI to GAAP Operating Income.

Consolidated Segment Operating Income -- TTM ⁽¹⁾

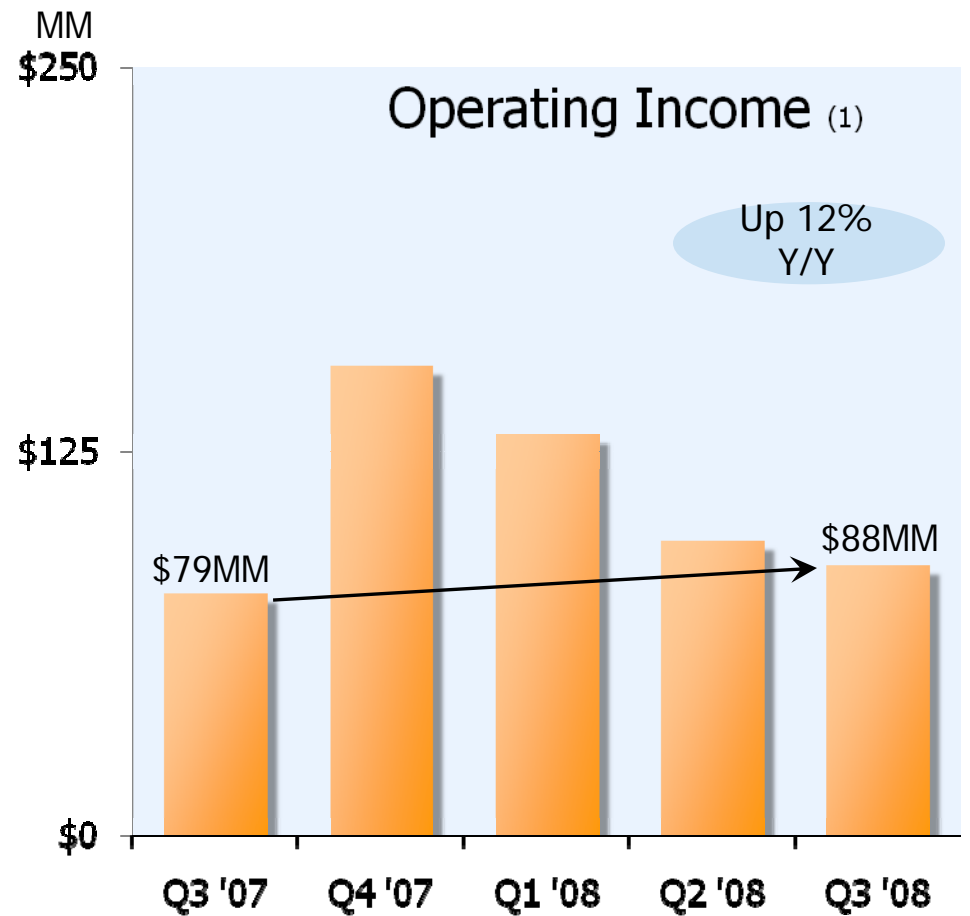
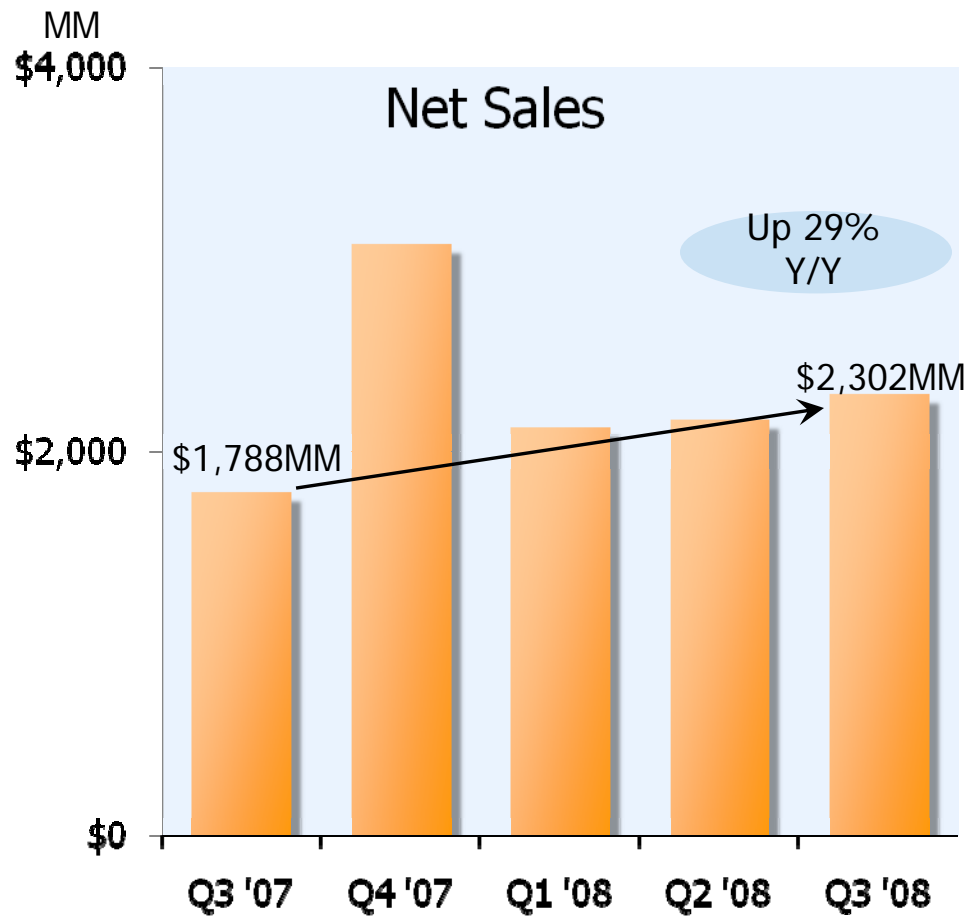


(1) Consolidated Segment Operating Income (CSOI), a non-GAAP financial measure, excludes Stock-Based Compensation and Other Operating Income (Expense). See appendix for a reconciliation of CSOI to GAAP Operating Income.

GAAP Net Income



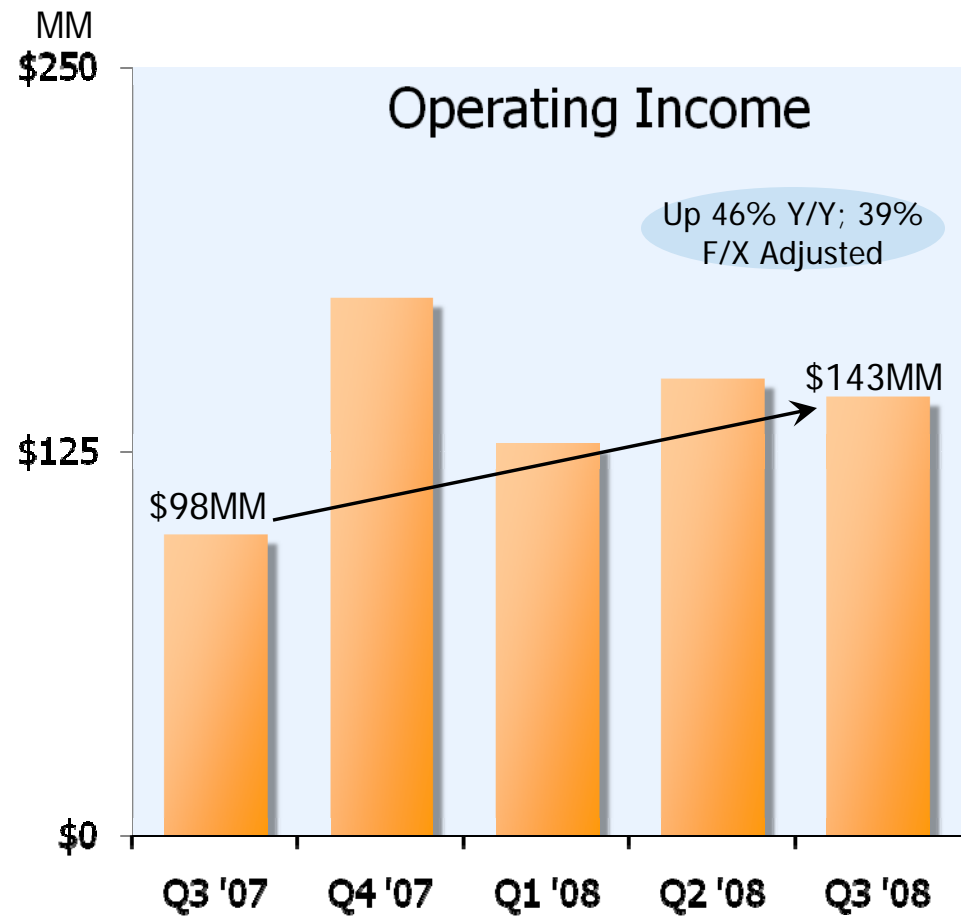
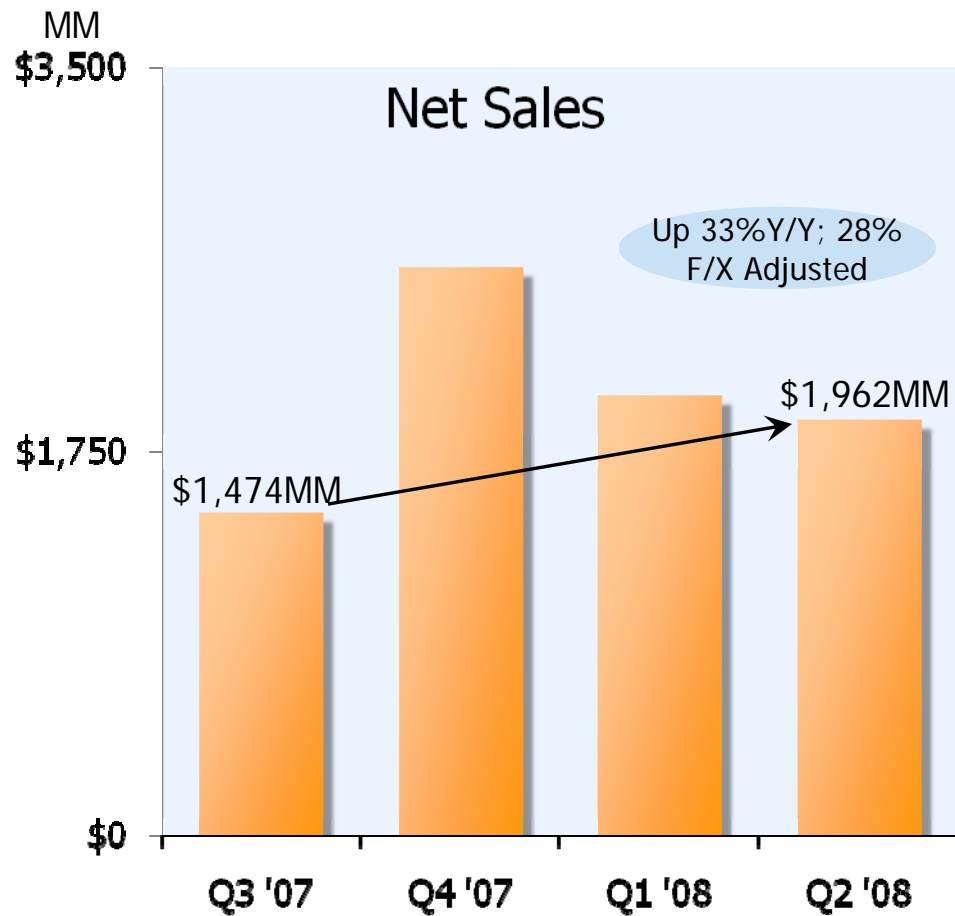
Segment Results – North America



TTM Net Sales Over \$9.6B

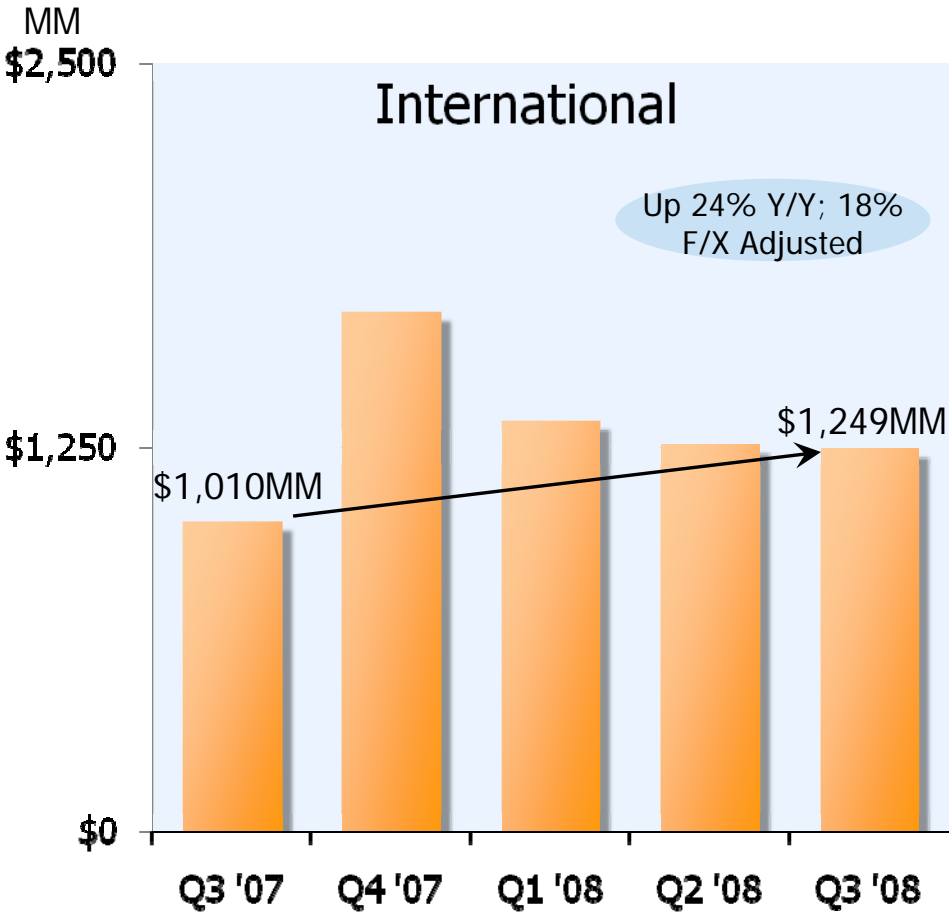
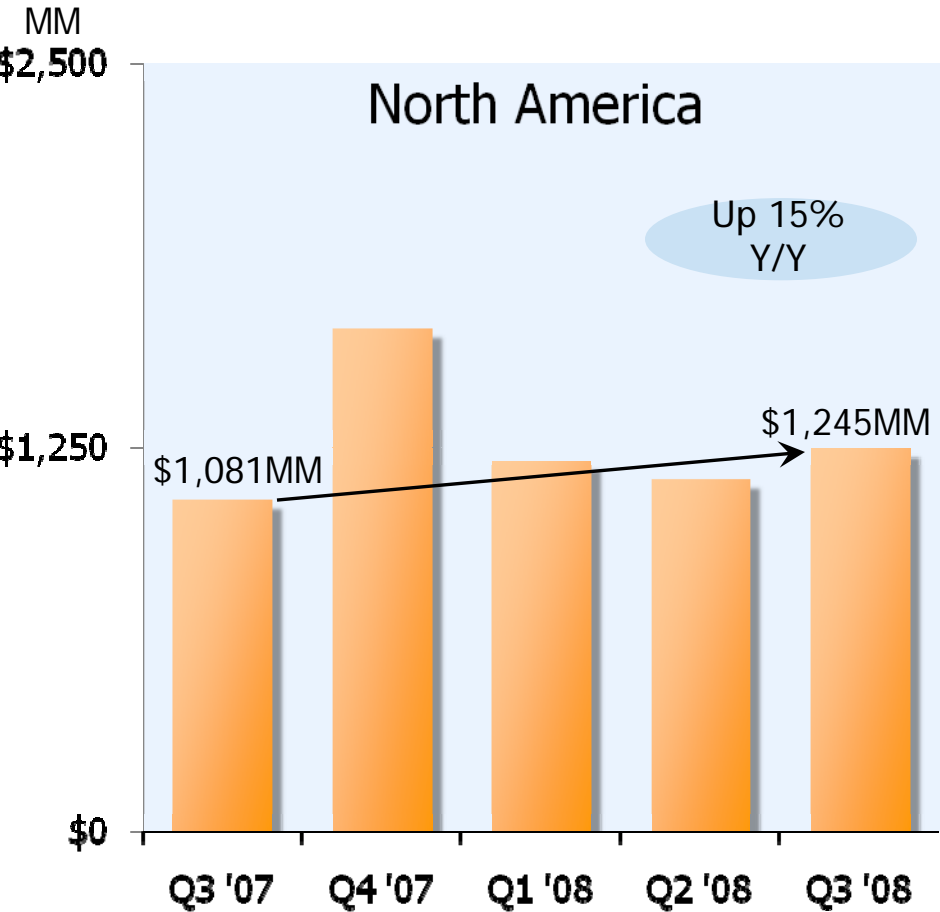
(1) A significant majority of our costs for "Technology and Content" are incurred in the United States and most of these costs are allocated to our North America segment.

Segment Results – International



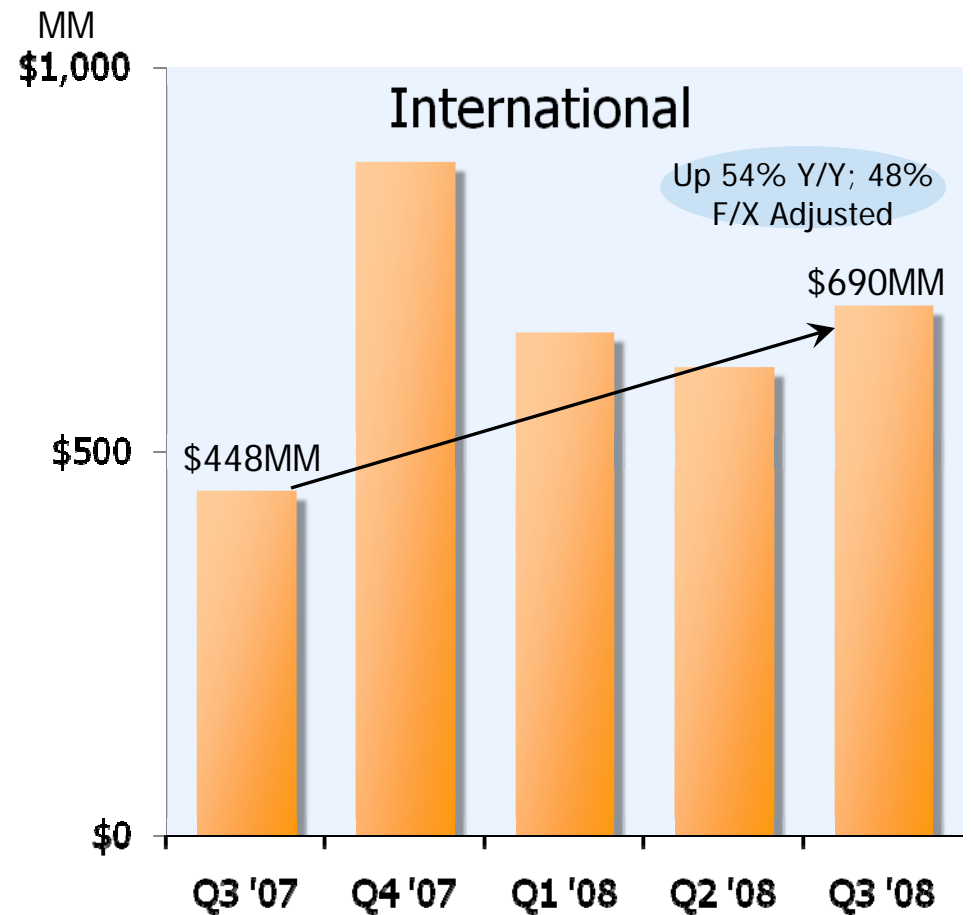
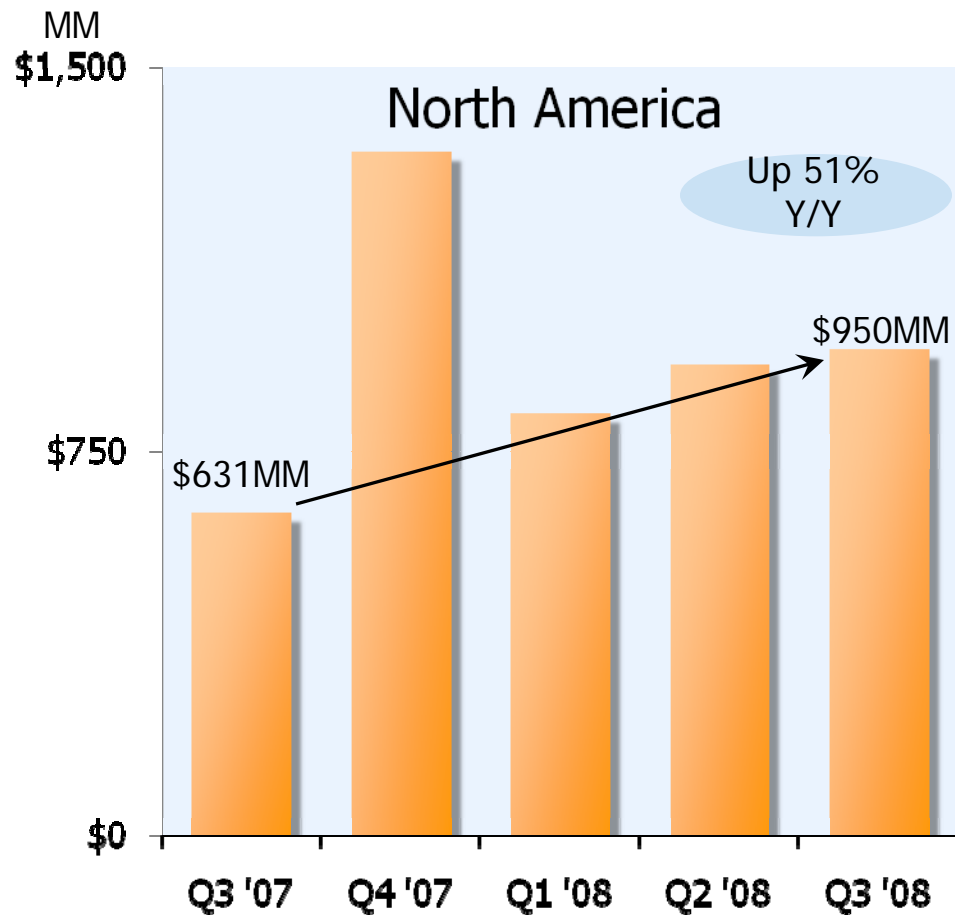
TTM Net Sales Over \$8.4B

Supplemental Revenue Highlights – Media



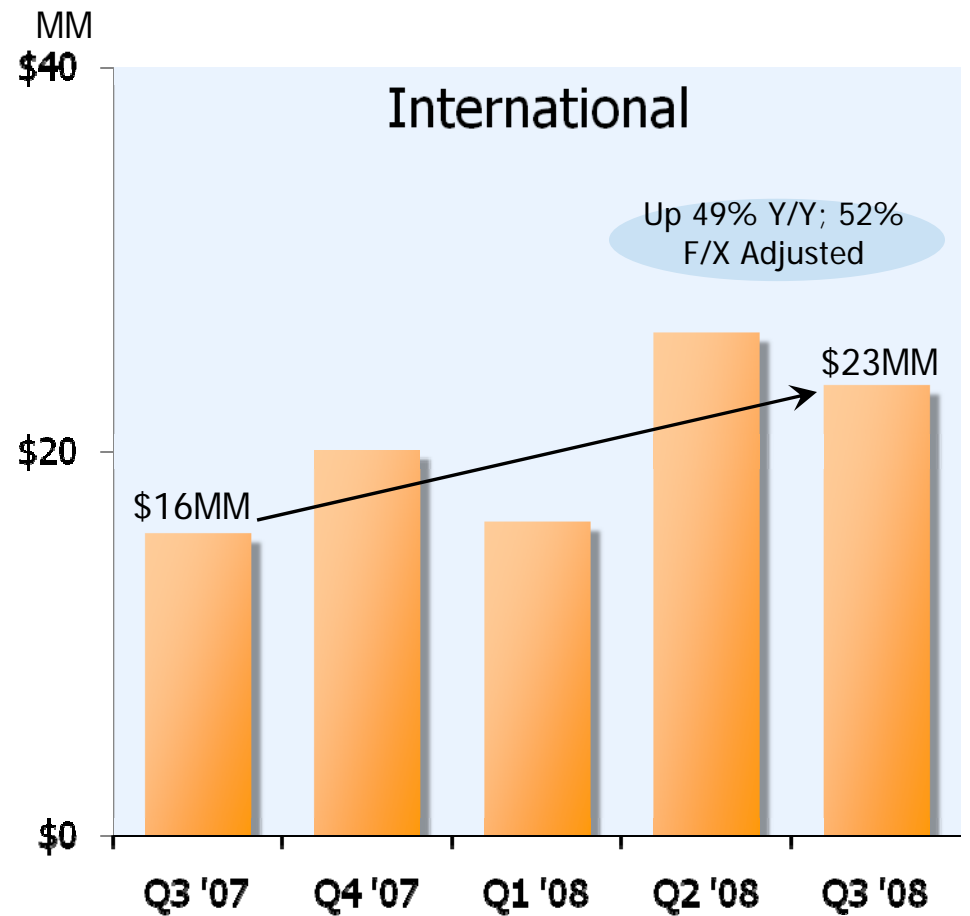
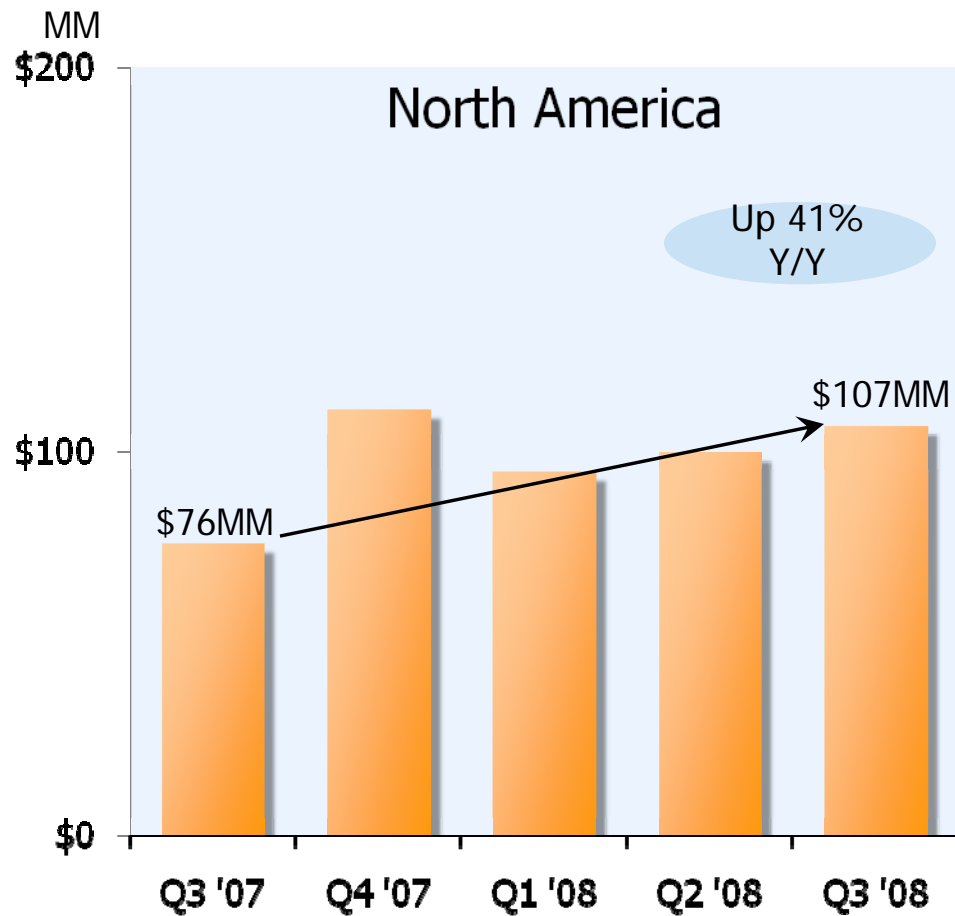
Books, Movies, Music, Digital Downloads, Software, Video Games

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



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

Supplemental Revenue Highlights – Other



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

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Appendix

Free Cash Flow Reconciliation -- TTM

\$MM	<u>Q3 '07</u>	<u>Q4 '07</u>	<u>Q1 '08</u>	<u>Q2 '08</u>	<u>Q3 '08</u>
Operating Cash Flow	\$ 1,001	\$ 1,405	\$ 1,039	\$ 1,088	\$ 1,275
Less:					
Purchases of Fixed Assets, Including Internal-Use Software and Website Development	<u>(201)</u>	<u>(224)</u>	<u>(251)</u>	<u>(272)</u>	<u>(305)</u>
Free Cash Flow	<u>\$ 800</u>	<u>\$ 1,181</u>	<u>\$ 788</u>	<u>\$ 816</u>	<u>\$ 970</u>

Consolidated Segment Operating Income Reconciliation

\$MM	<u>Q3 '07</u>	<u>Q4 '07</u>	<u>Q1 '08</u>	<u>Q2 '08</u>	<u>Q3 '08</u>
Consolidated Segment Operating Income	\$ 177	\$ 328	\$ 258	\$ 245	\$ 231
Less:					
Stock-Based Compensation	(51)	(54)	(54)	(73)	(70)
Other Operating Income (Expense), Net	<u>(3)</u>	<u>(3)</u>	<u>(6)</u>	<u>45</u>	<u>(7)</u>
GAAP Operating Income	<u>\$ 123</u>	<u>\$ 271</u>	<u>\$ 198</u>	<u>\$ 217</u>	<u>\$ 154</u>

Consolidated Segment Operating Income Reconciliation -- TTM

\$MM	<u>Q3 '07</u>	<u>Q4 '07</u>	<u>Q1 '08</u>	<u>Q2 '08</u>	<u>Q3 '08</u>
Consolidated Segment Operating Income	\$ 749	\$ 849	\$ 928	\$ 1,008	\$ 1,062
Less:					
Stock-Based Compensation	(161)	(185)	(205)	(232)	(251)
Other Operating Income (Expense), Net	<u>(7)</u>	<u>(9)</u>	<u>(15)</u>	<u>32</u>	<u>29</u>
GAAP Operating Income	<u>\$ 581</u>	<u>\$ 655</u>	<u>\$ 708</u>	<u>\$ 808</u>	<u>\$ 840</u>