



**Q4 2006 Financial Results
Conference Call Slides**

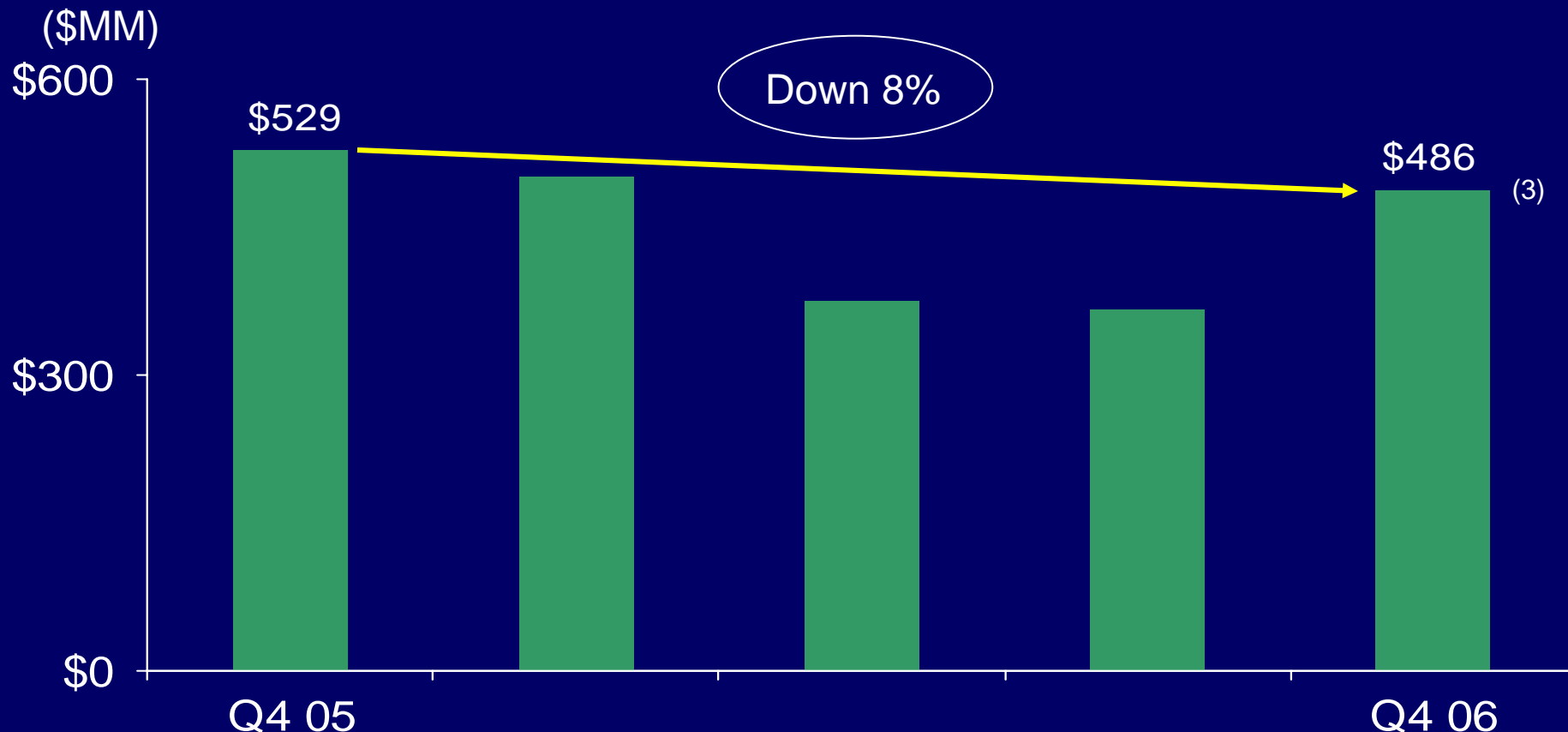
Amazon.com

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, in addition to the factors discussed above, 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, competition, management of growth, potential fluctuations in operating results, international 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 foreign exchange rates, system interruptions, significant indebtedness, inventory, limited operating history, government regulation and taxation, payments, fraud, consumer trends, and new business areas. 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, 2005, 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 ⁽¹⁾⁽²⁾ TTM



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.

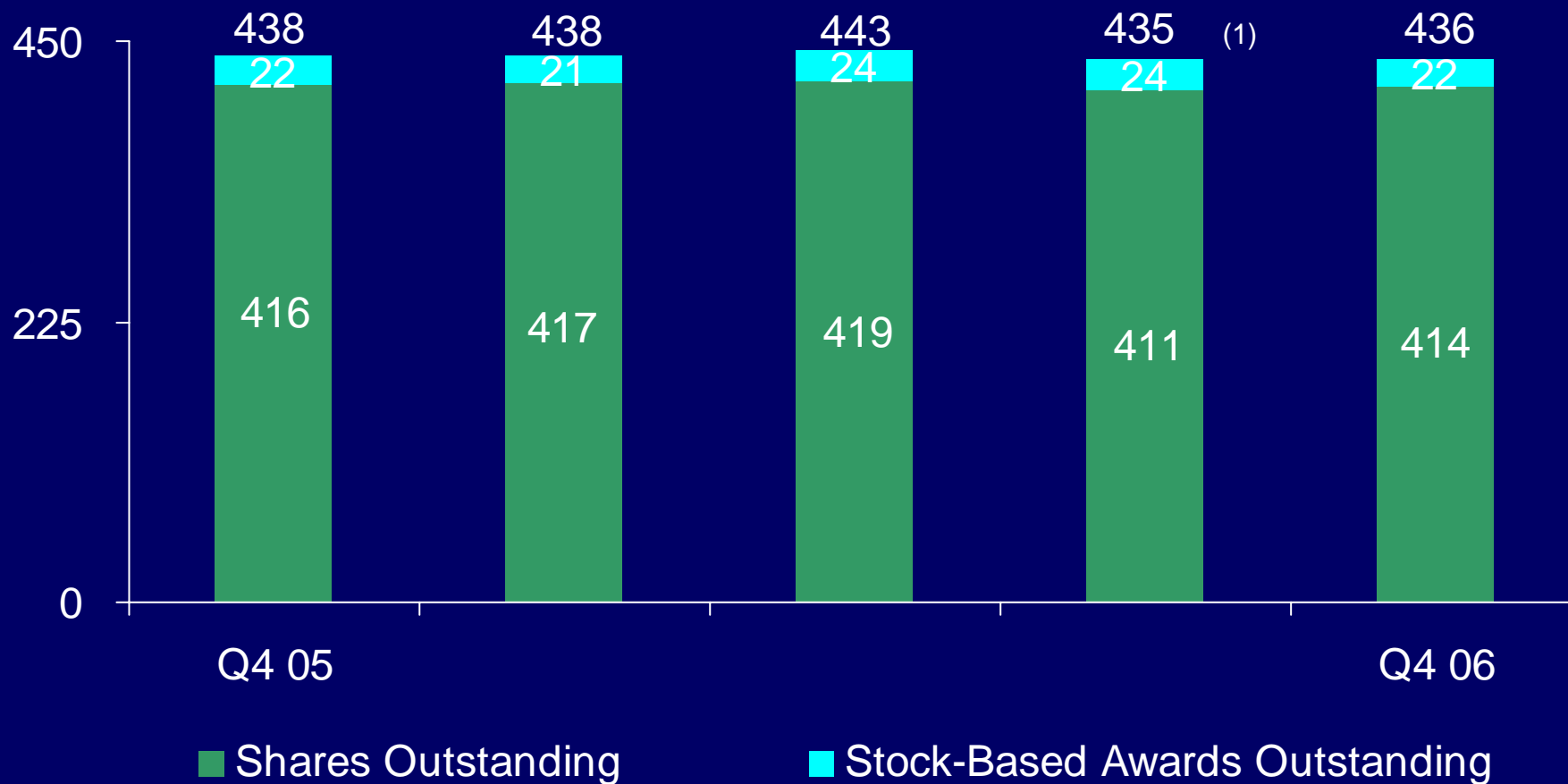
(2) In Q3 05, the Company settled a patent lawsuit on terms including a one time payment of \$40 MM. This negatively impacts TTM free cash flow for all periods that include Q3 05.

(3) Free cash flow was reduced by \$102 million from excess tax benefits for stock based compensation now classified as financing cash flows.

Our Results

Shares

(MM)

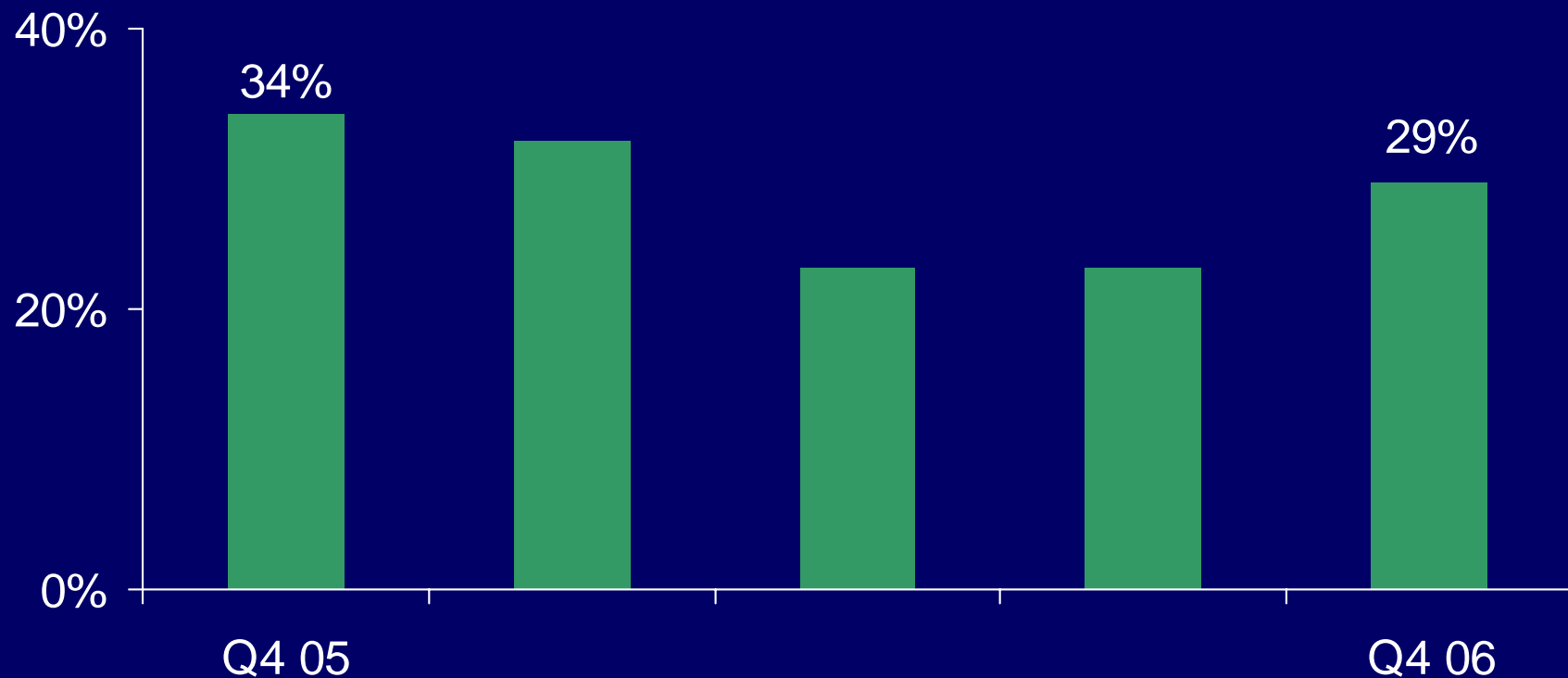


Efficiently Managing Dilution -- Down 1% Y/Y

(1) During Q3 06 the Company repurchased 8 million shares, or \$252 million under its previously announced authorization to repurchase up to \$500 million of the Company's Common Stock.

Our Results

Return on Invested Capital ⁽¹⁾ -- TTM



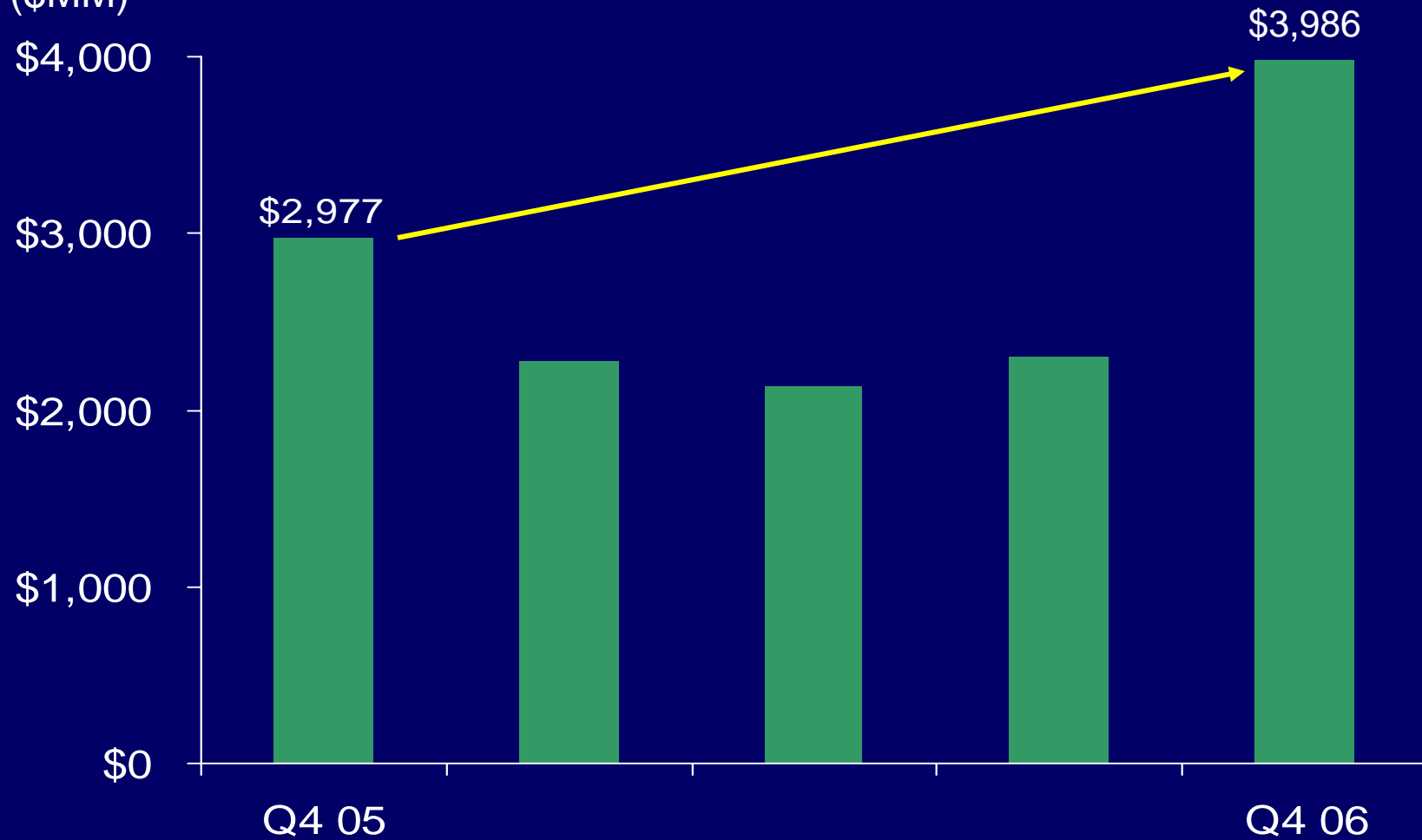
Long-term Expectation: Triple Digit ROIC

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

Our Results

Net Sales

(\$MM)

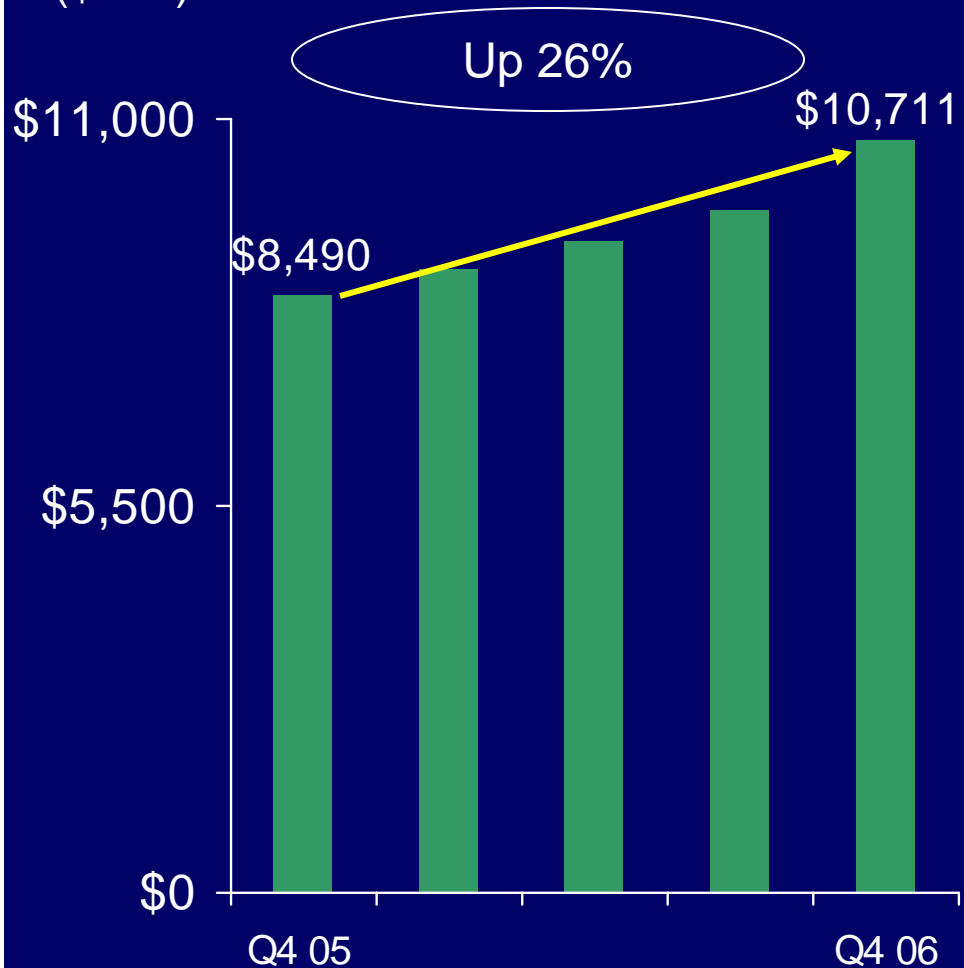


Up 34% Y/Y (30% F/X Adjusted)

Our Results

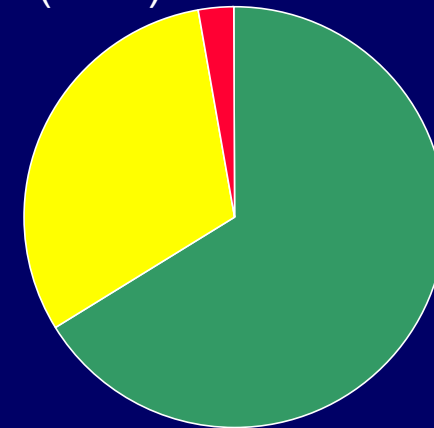
Net Sales -- TTM

(\$MM)



WW Revenue Mix

\$3,361 (31%) \$283 (3%)



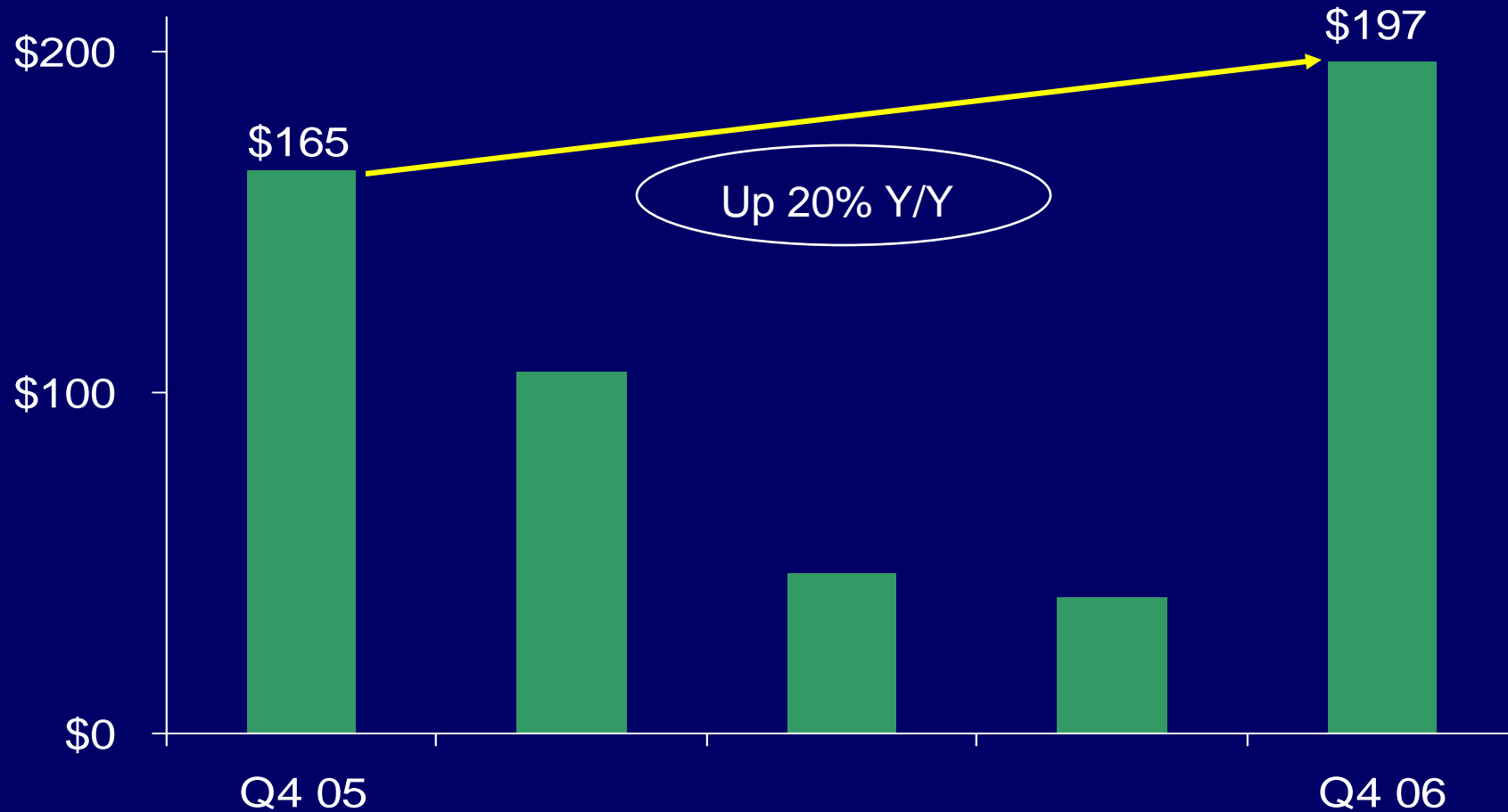
\$7,067 (66%)

- WW Media
- WW Electronics & Other General Merchandise (EGM)
- WW Other (Amazon Enterprise Solutions, Co-Branded Credit Card, & Misc. Marketing)

31% of WW Revenue From EGM

Our Results

GAAP Operating Income (\$MM)

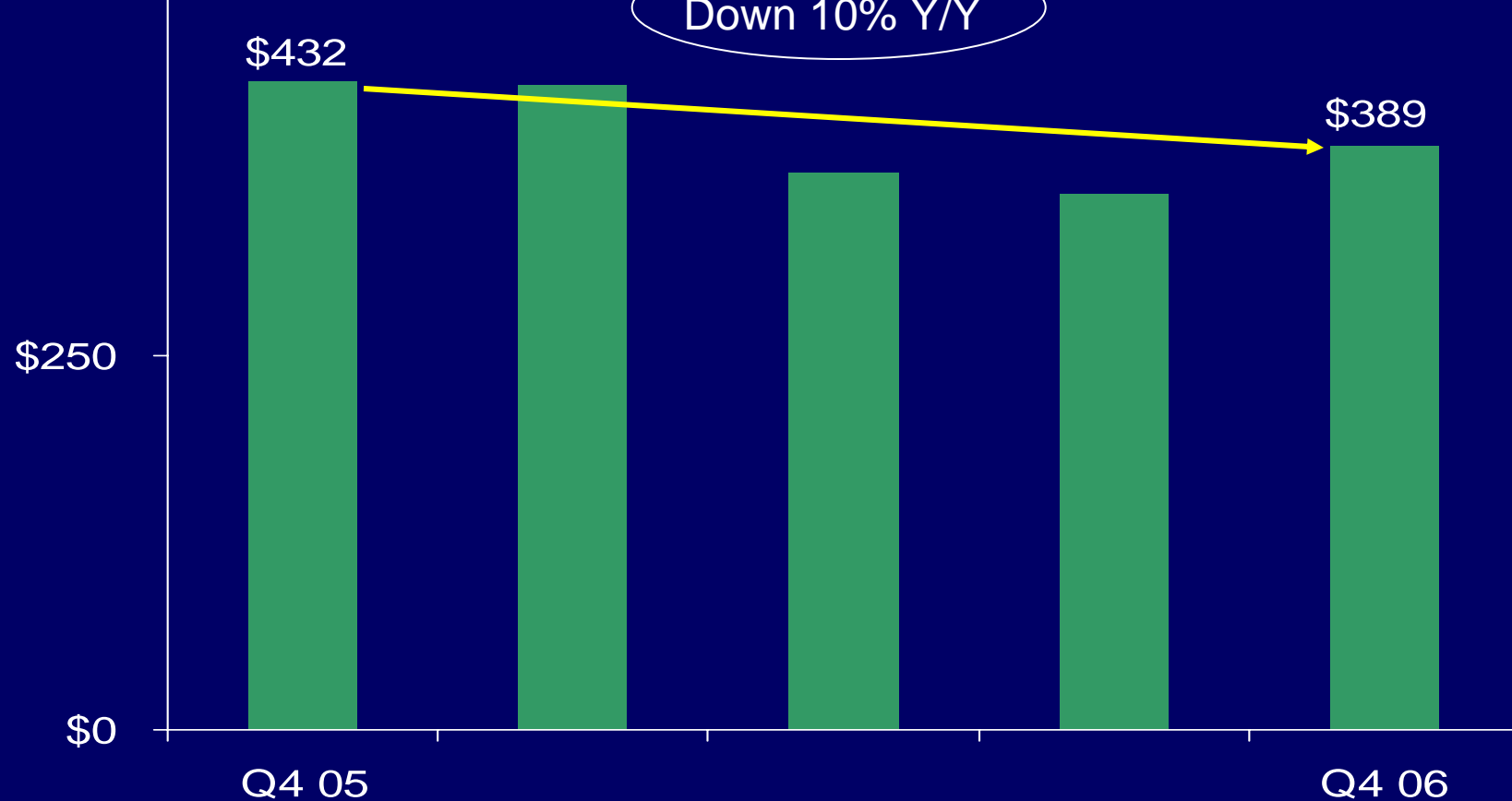


Our Results

GAAP Operating Income -- TTM

(\$MM)

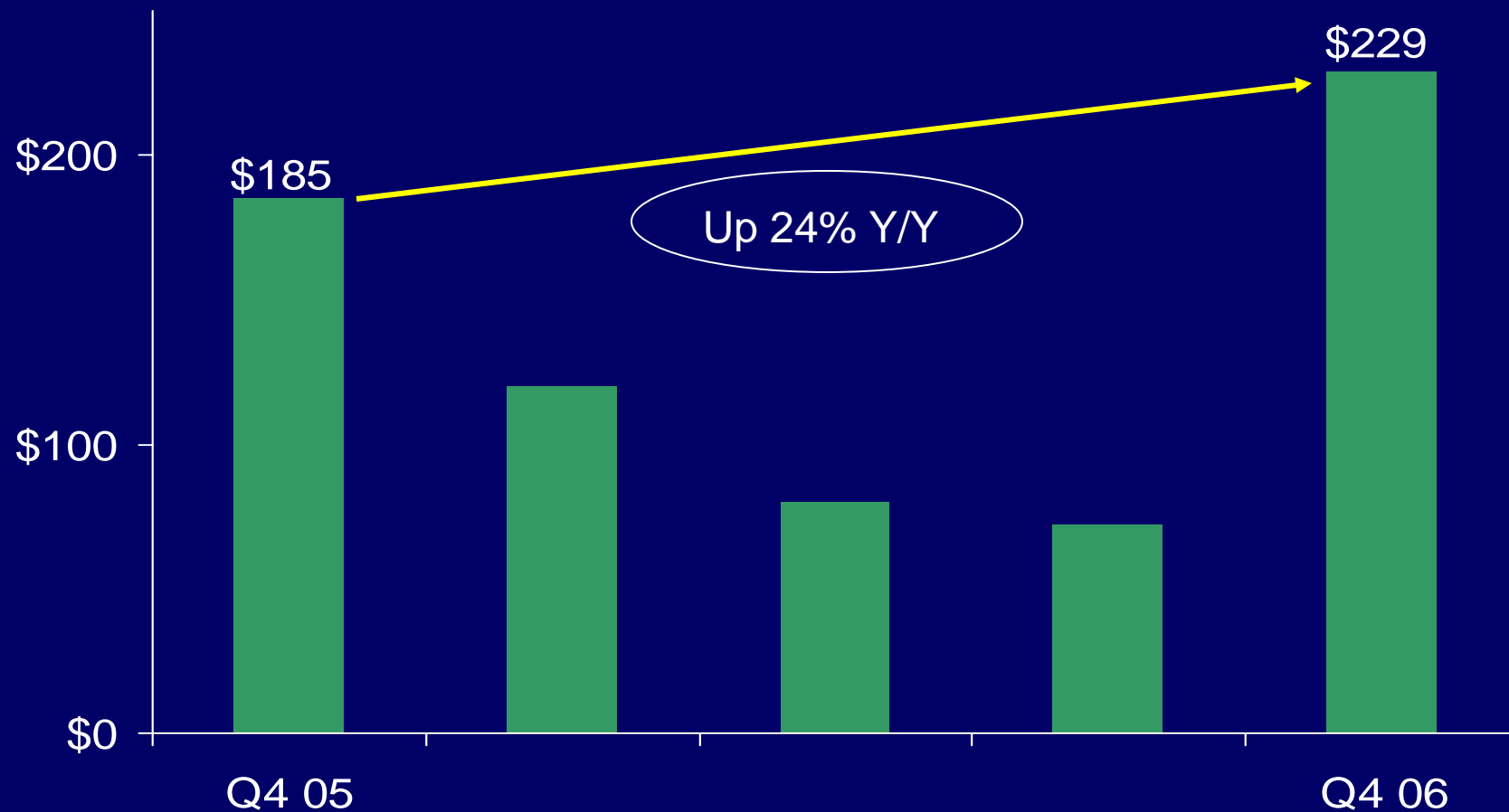
\$500



(1) In Q3 05, the Company settled a patent lawsuit on terms including a one time payment of \$40MM.

Our Results

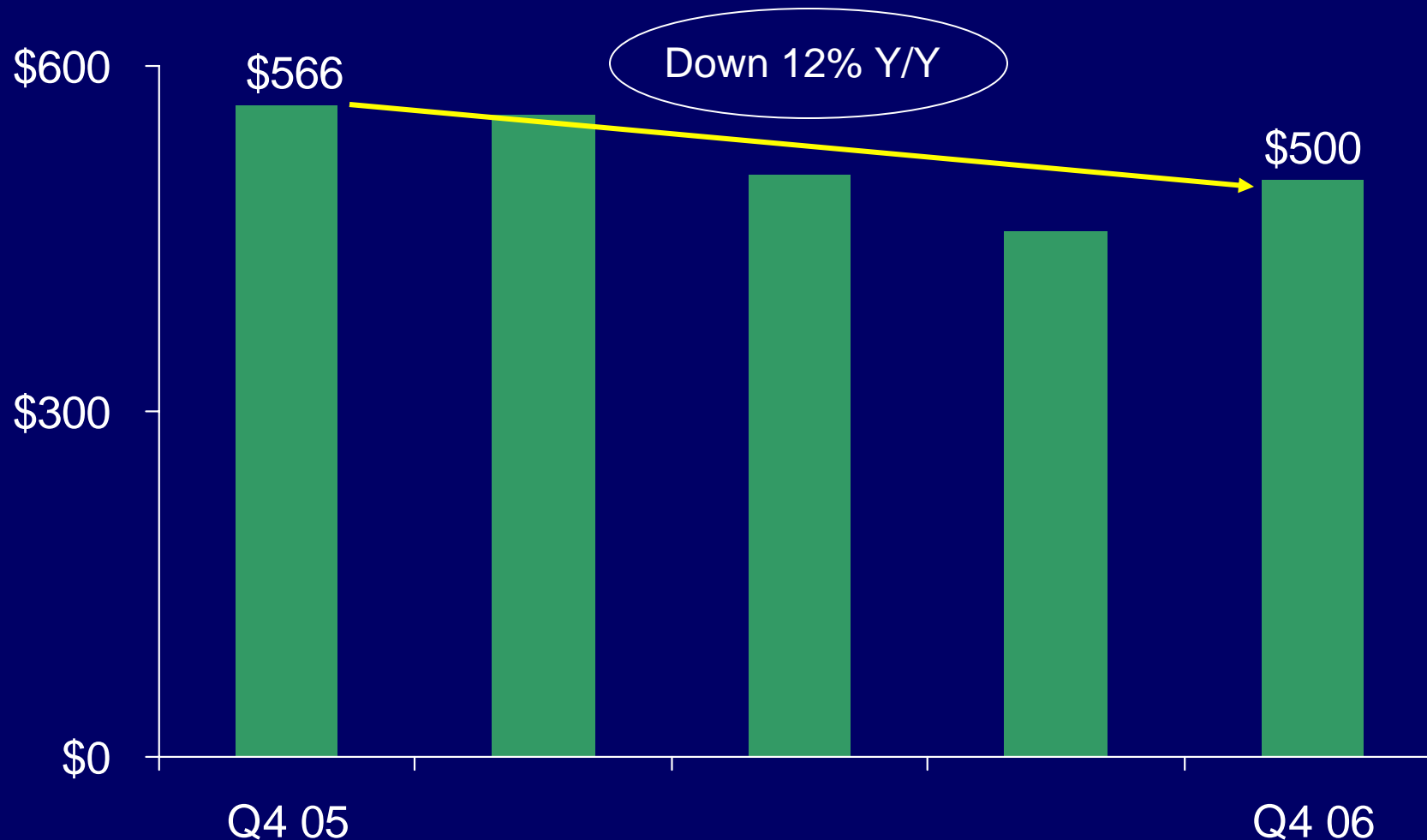
Consolidated Segment Operating Income⁽¹⁾ (\$MM)



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

Our Results

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

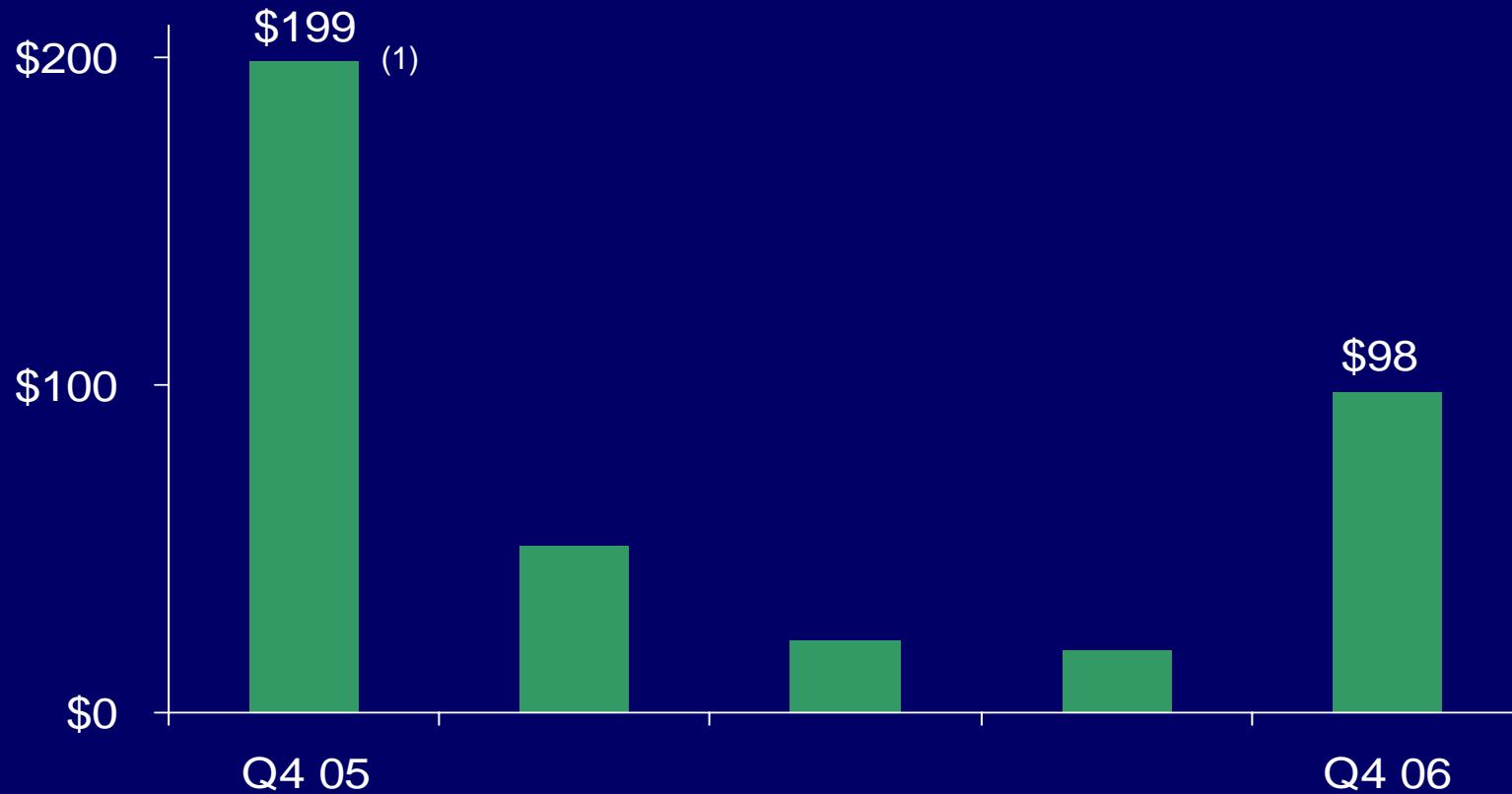


(1) See the appendix for a reconciliation of consolidated segment operating income to operating income.

Our Results

GAAP Net Income

(\$MM)



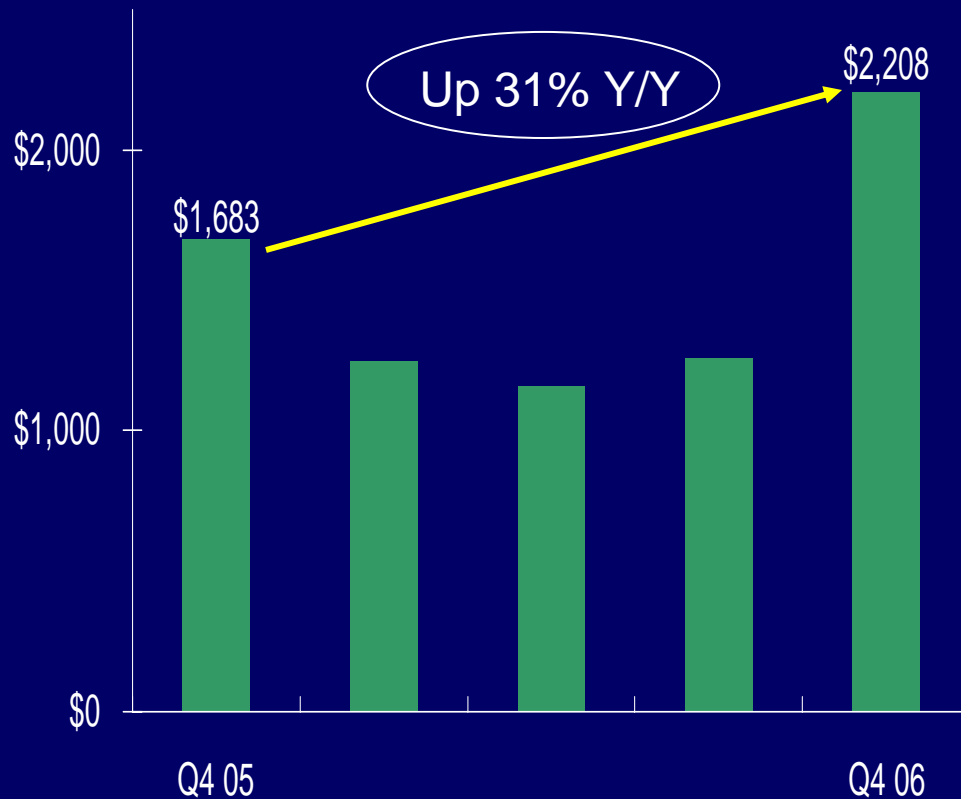
(1) Q4 05 net income includes tax benefits of \$90 million related to determination that certain of our deferred tax assets are realizable.

Segment Results

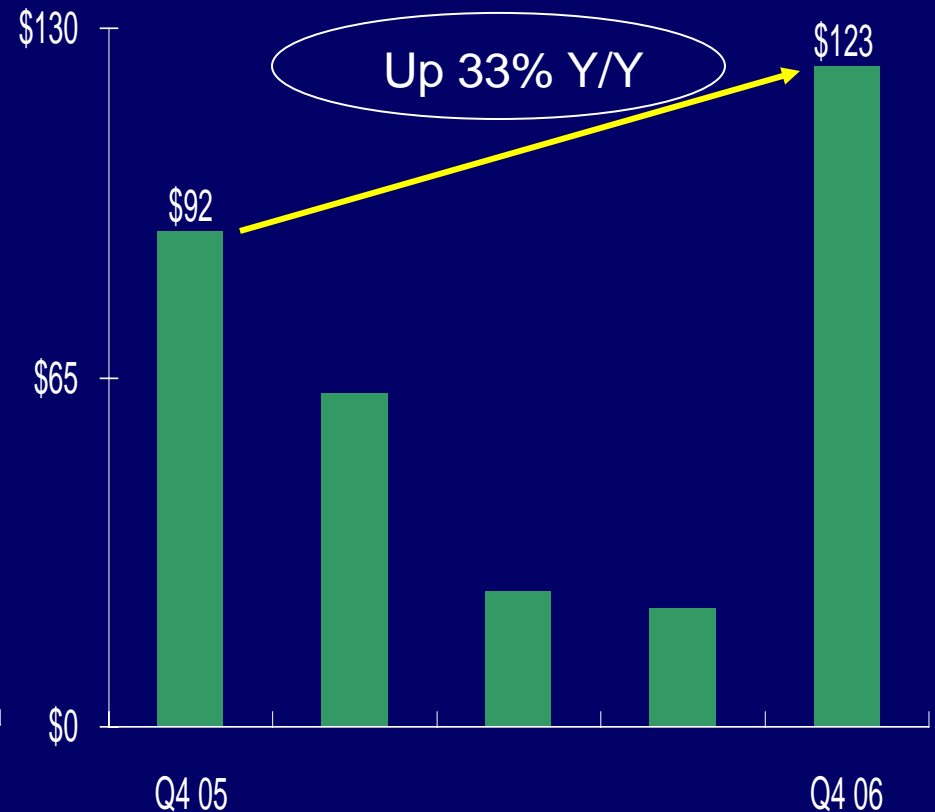
North America

(\$MM)

Net Sales



Segment Operating Income⁽¹⁾



TTM Net Sales Over \$5.8 Billion

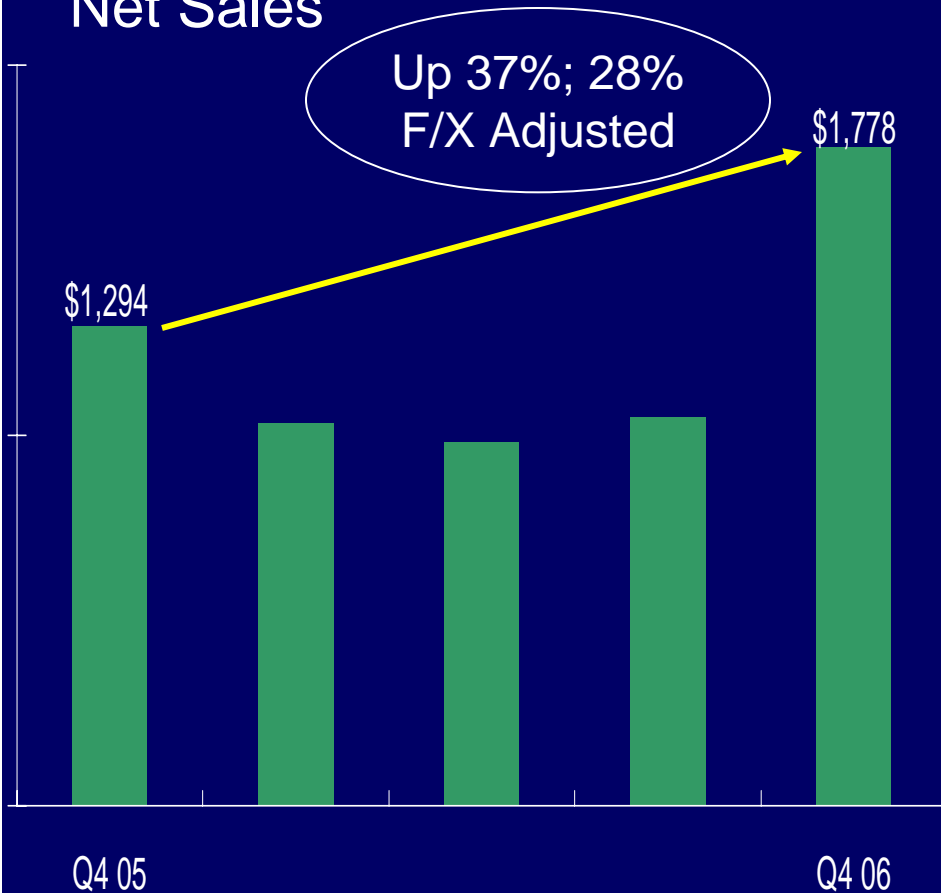
(1) A significant majority of our costs for "Technology and content" are incurred in the United States and most of these costs are allocated to our North America segment.

Segment Results

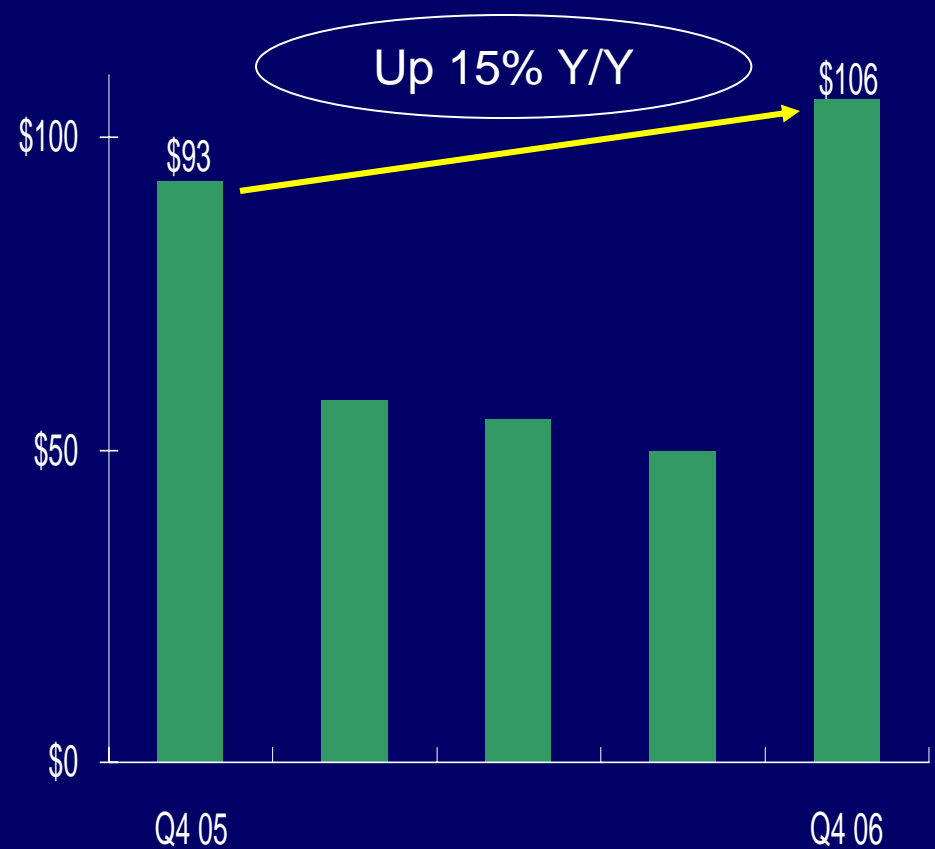
International

(\$MM)

Net Sales



Segment Operating Income



TTM Net Sales Over \$4.8 Billion

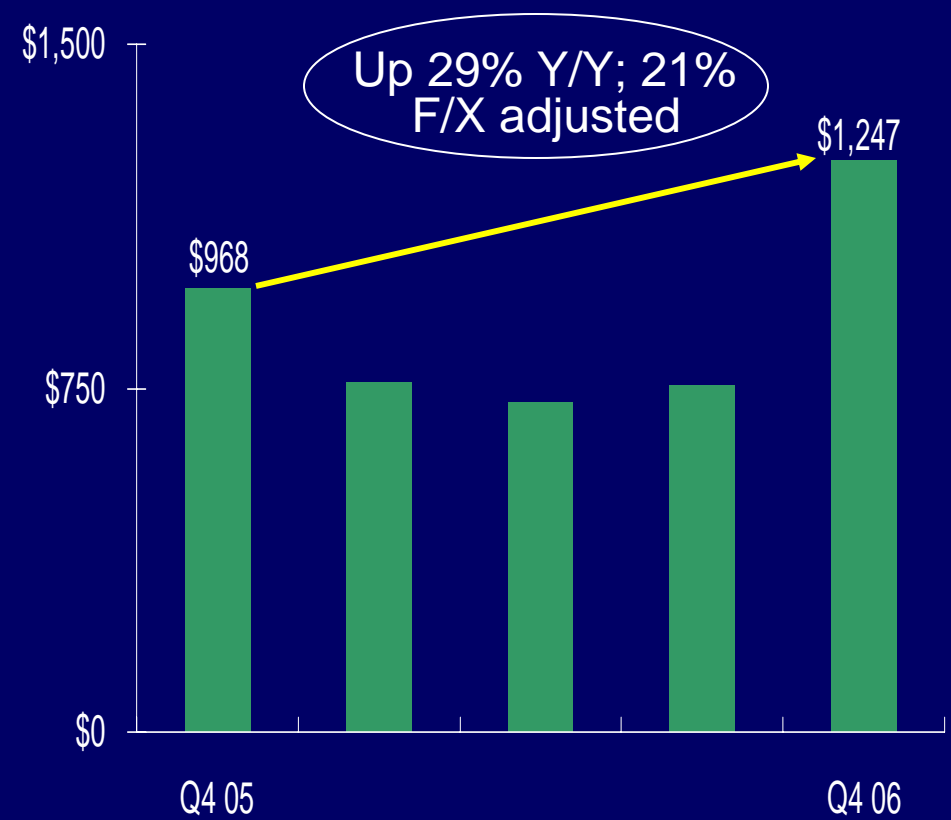
Supplemental Revenue Highlights

Media

(\$MM)

North America

International

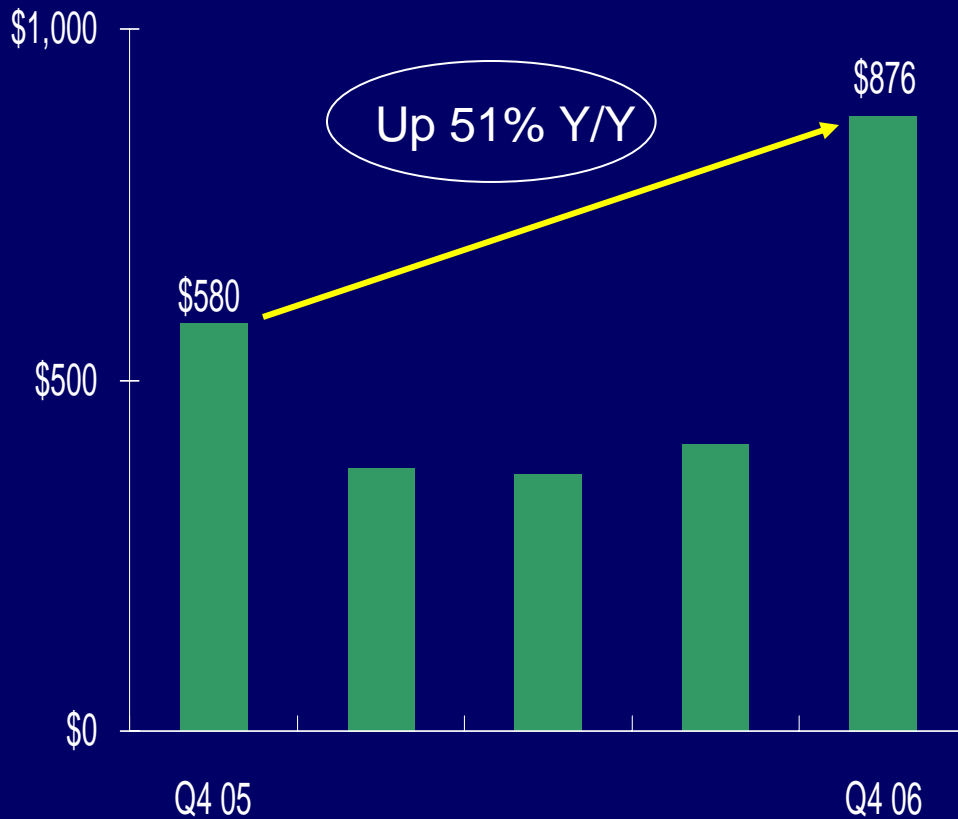


Books, Music, DVD/Video, Magazines, Software & Video Games

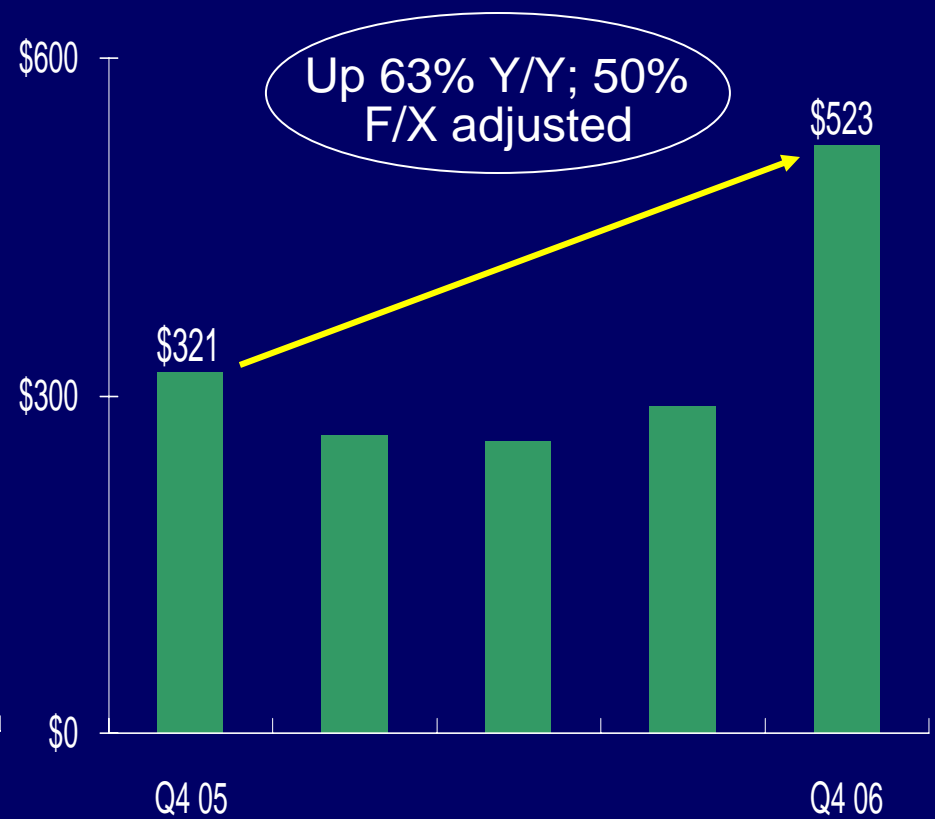
Supplemental Revenue Highlights

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

North America



International

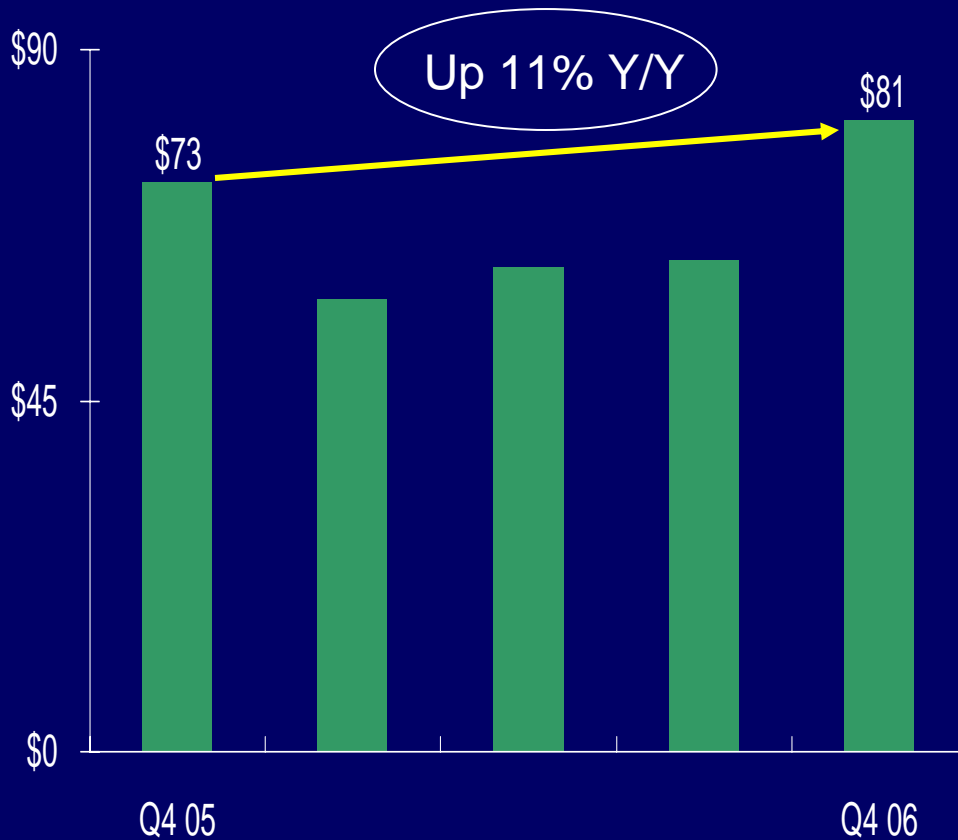


Electronics, Office, Tools, Toys & Baby, Home & Garden, Apparel, Sports & Outdoors, Jewelry & Watches, Gourmet Food, Health and Beauty, Grocery, and Other

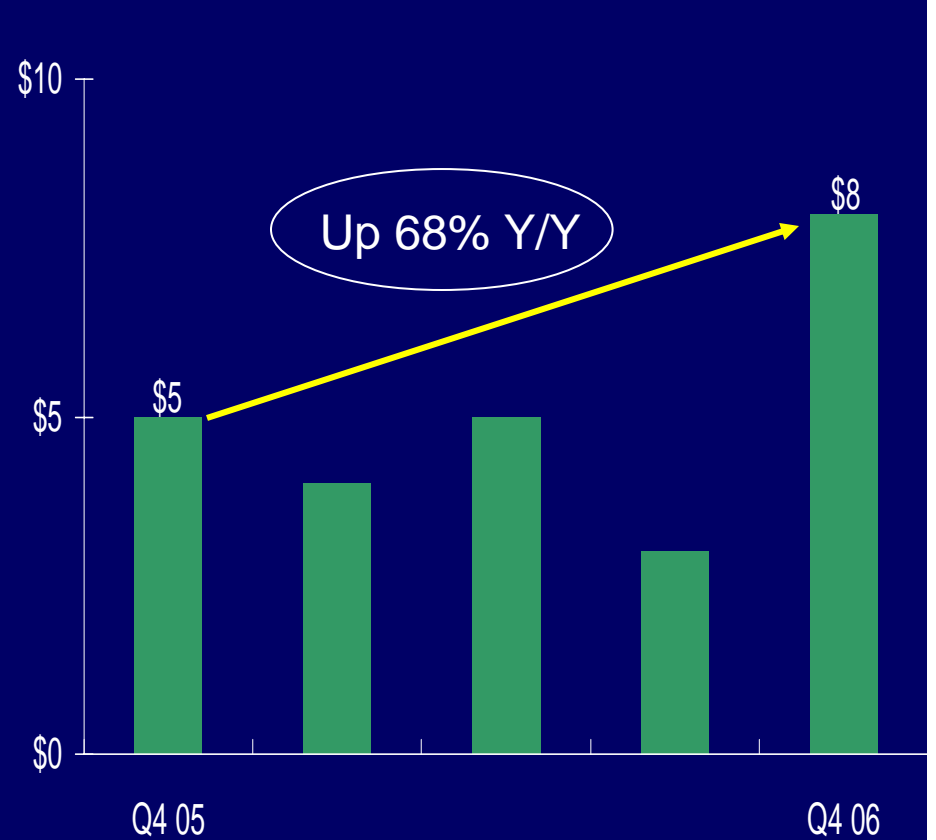
Supplemental Revenue Highlights

Other
(\$MM)

North America



International



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

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and you're done.[™]

Appendix

Free Cash Flow

Reconciliation -- TTM

(\$MM)

	<u>Q4 05</u>	<u>Q1 06</u>	<u>Q2 06</u>	<u>Q3 06</u>	<u>Q4 06</u>
Operating Cash Flow	\$733	\$724	\$610	\$587	\$702
Less: Purchases of Fixed Assets, Including Internal-Use Software and Website Development	<u>204</u>	<u>223</u>	<u>235</u>	<u>221</u>	<u>216</u>
Free Cash Flow	<u>\$529</u>	<u>\$501</u>	<u>\$375</u>	<u>\$366</u>	<u>\$486</u>

Consolidated Segment Operating Income

Reconciliation

(\$MM)

	<u>Q4 05</u>	<u>Q1 06</u>	<u>Q2 06</u>	<u>Q3 06</u>	<u>Q4 06</u>
Consolidated Segment Operating Income	\$ 185	\$ 120	\$ 80	\$ 72	\$229
Less:					
Stock-Based Compensation	16	11	30	30	30
Other Operating Expense	<u>4</u>	<u>3</u>	<u>3</u>	<u>2</u>	<u>2</u>
GAAP Operating Income	<u><u>\$165</u></u>	<u><u>\$106</u></u>	<u><u>\$47</u></u>	<u><u>\$40</u></u>	<u><u>\$197</u></u>

Consolidated Segment Operating Income

Reconciliation -- TTM

(\$MM)

	<u>Q4 05</u>	<u>Q1 06</u>	<u>Q2 06</u>	<u>Q3 06</u>	<u>Q4 06</u>
Consolidated Segment Operating Income	\$566	\$558	\$506	\$457	\$500
Less:					
Stock-Based Compensation	87	79	84	87	101
Other Operating Expense	<u>47</u>	<u>49</u>	<u>50</u>	<u>13</u>	<u>10</u>
GAAP Operating Income	<u>\$432</u>	<u>\$430</u>	<u>\$372</u>	<u>\$357</u>	<u>\$389</u>