



**Q4 2004 Financial Results
Conference Call Slides**

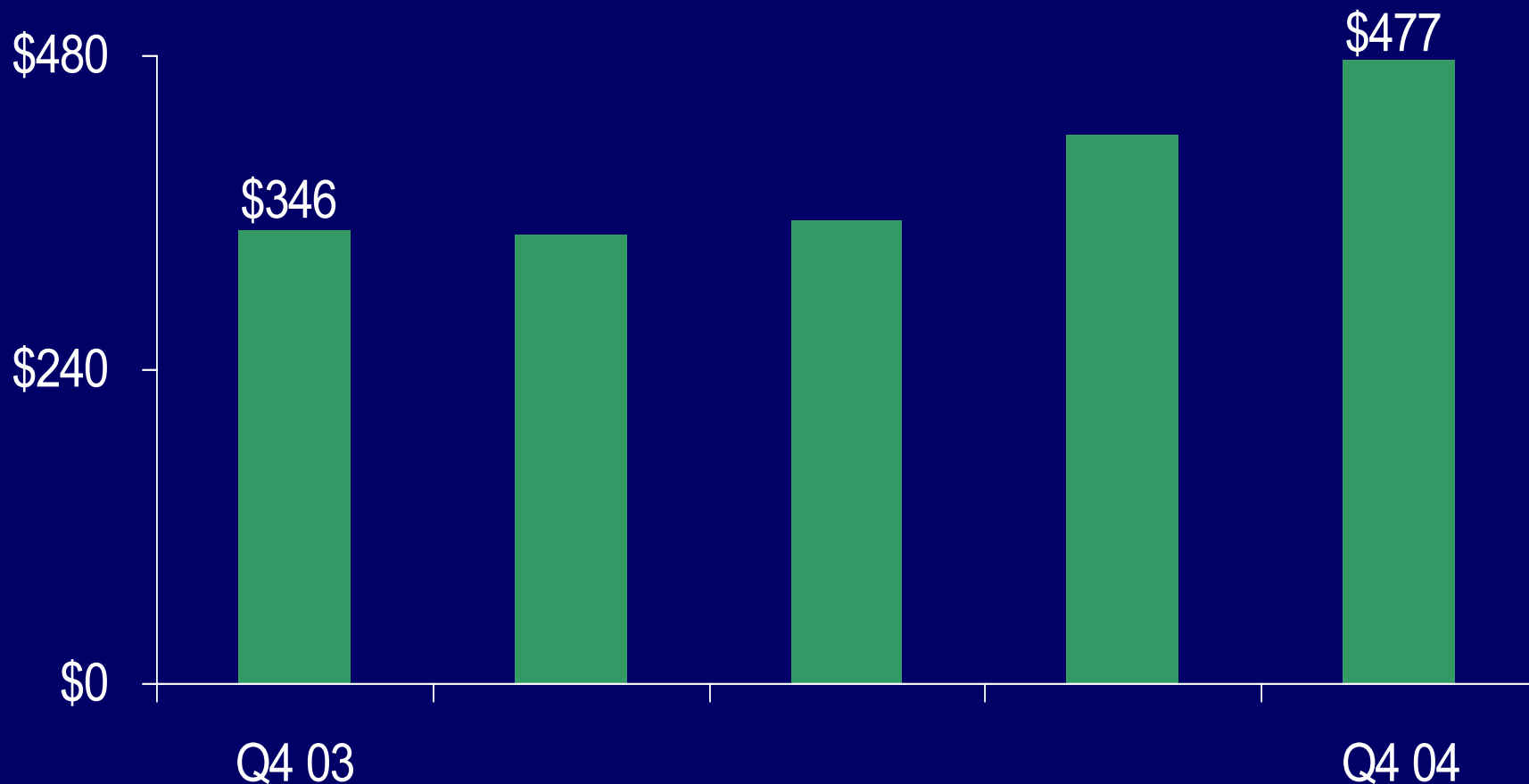
Amazon.com

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 growth and expansion, 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, risk of future losses, significant indebtedness, system interruptions, consumer trends, limited operating history, government regulation and taxation, fraud, 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, 2003, and all subsequent filings.

Additional information relating to certain of our financial measures contained herein is available in our most recent press release and at our website at www.amazon.com/ir under 'Financial Documents'.

Performance Trends

Free Cash Flow* -- Trailing Twelve Months (TTM)
(\$MM)

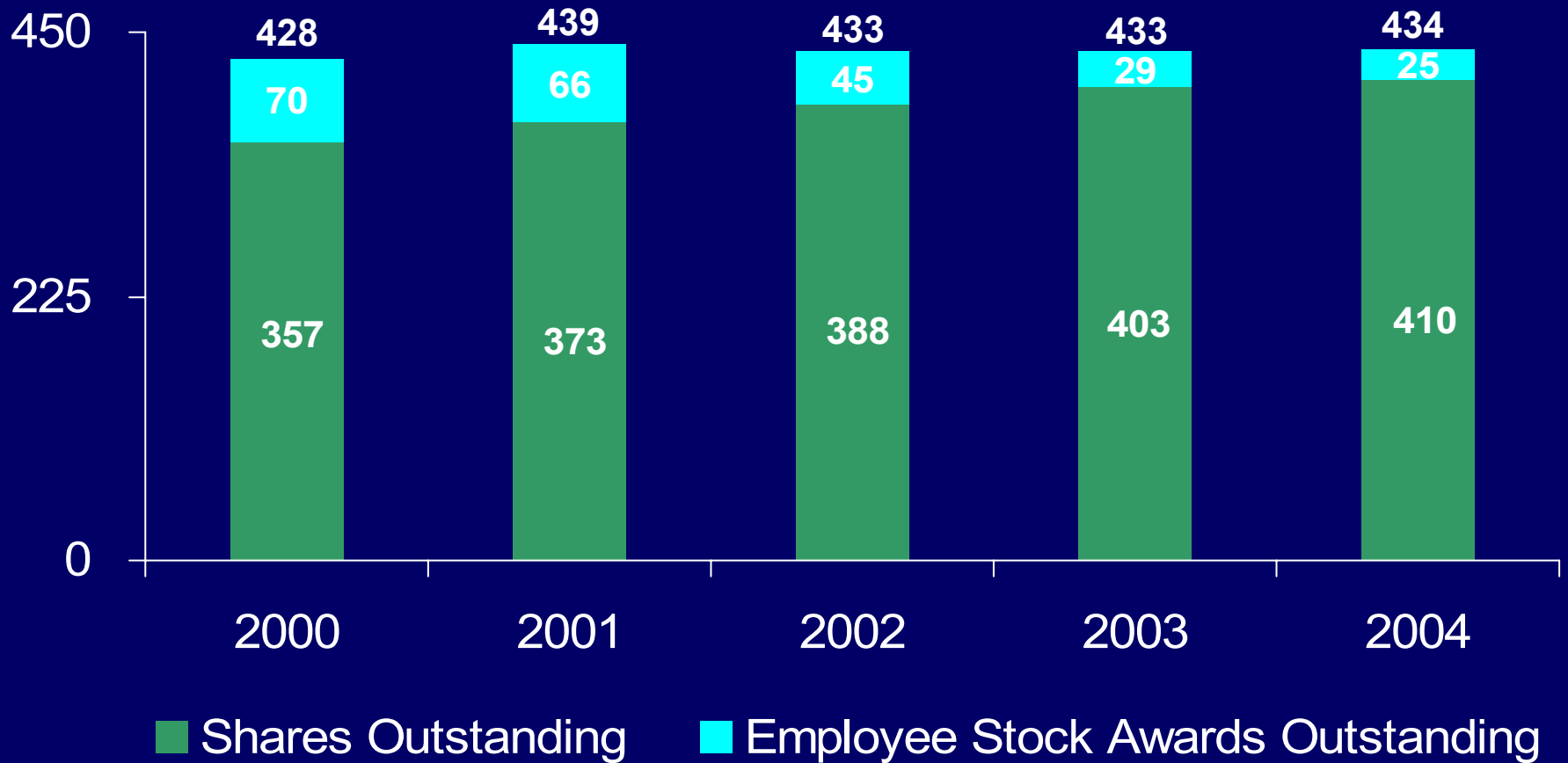


38% Improvement Y/Y

* Operating Cash Flow Less Capital Expenditures (including capitalized software & development) -- see appendix

Our Progress

Efficiently Managing Dilution (MM)

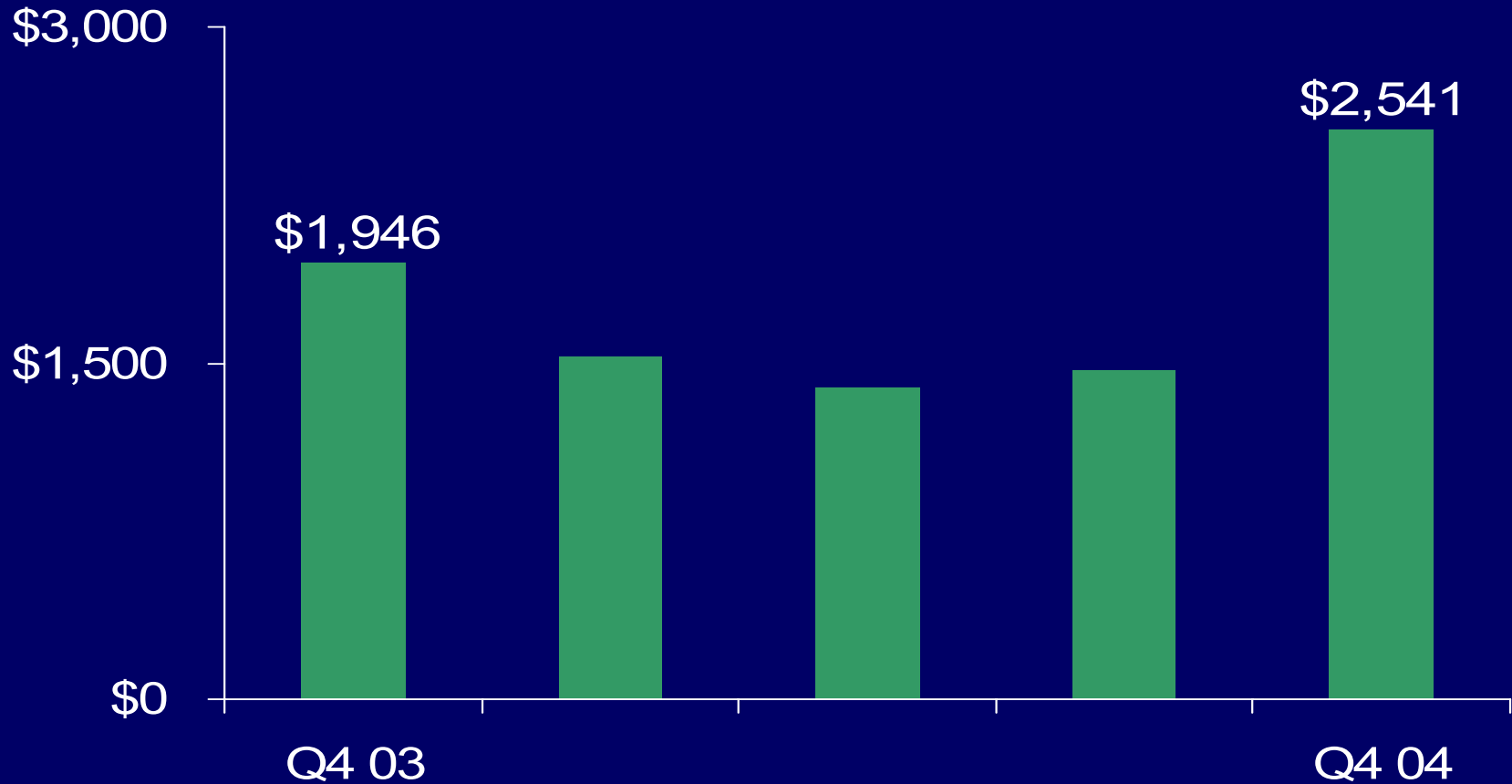


2004 Dilution Flat Y/Y

Performance Trends

Net Sales

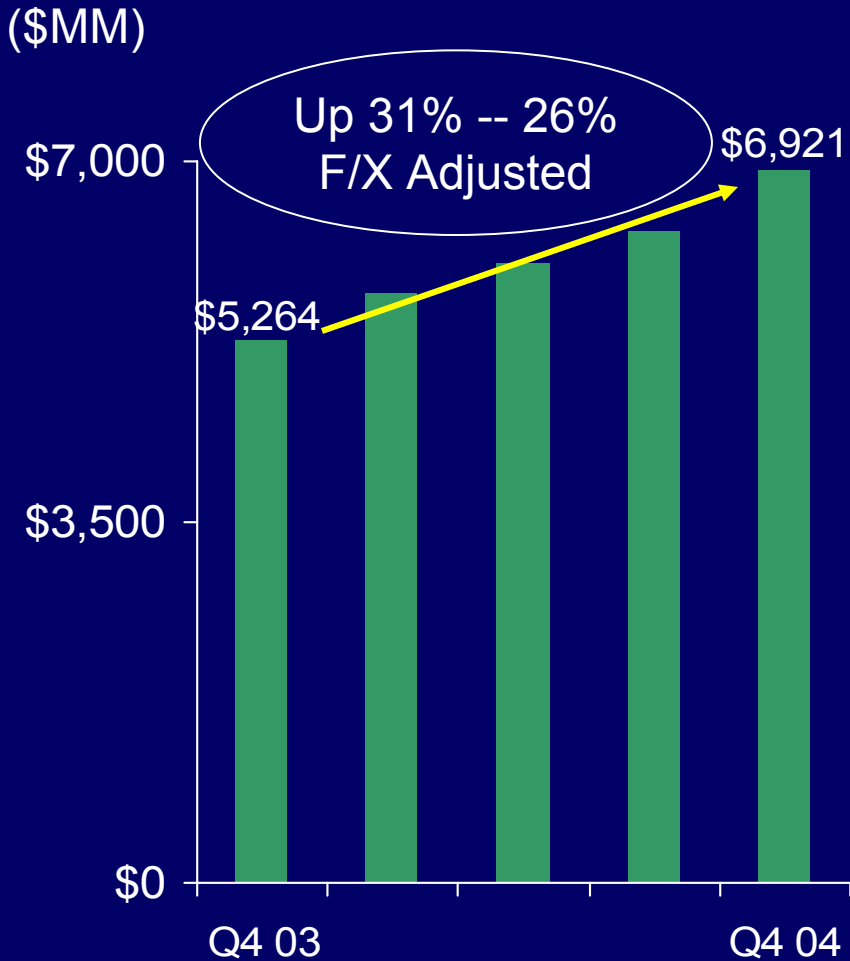
(\$MM)



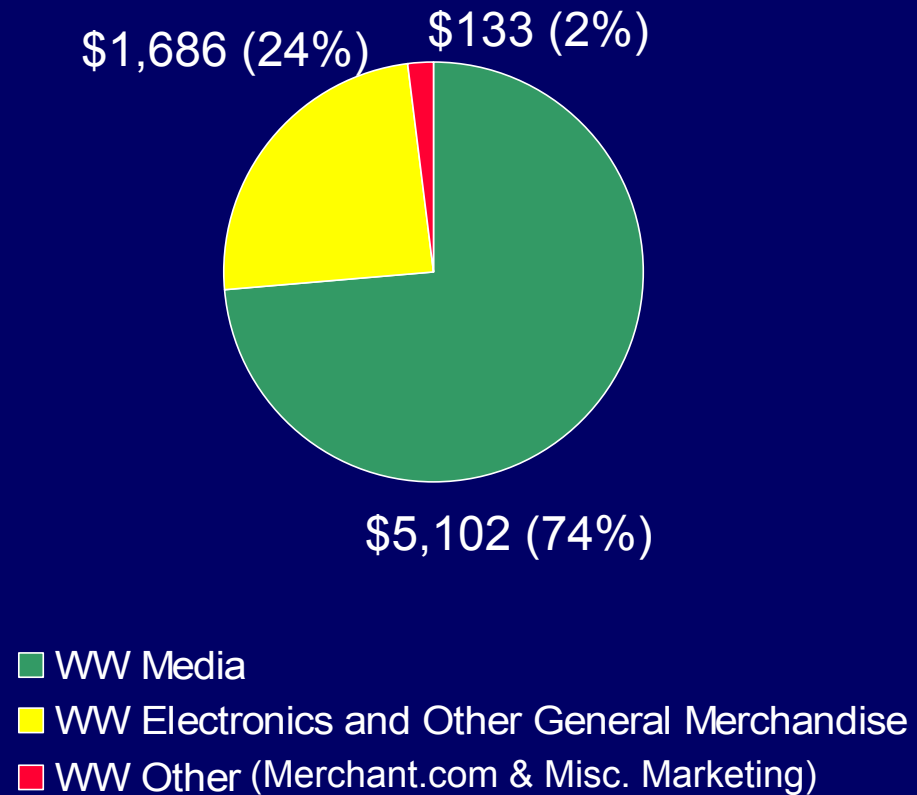
Up 31% Y/Y (26% F/X Adjusted)

Performance Trends

Net Sales -- TTM



WW Revenue Mix

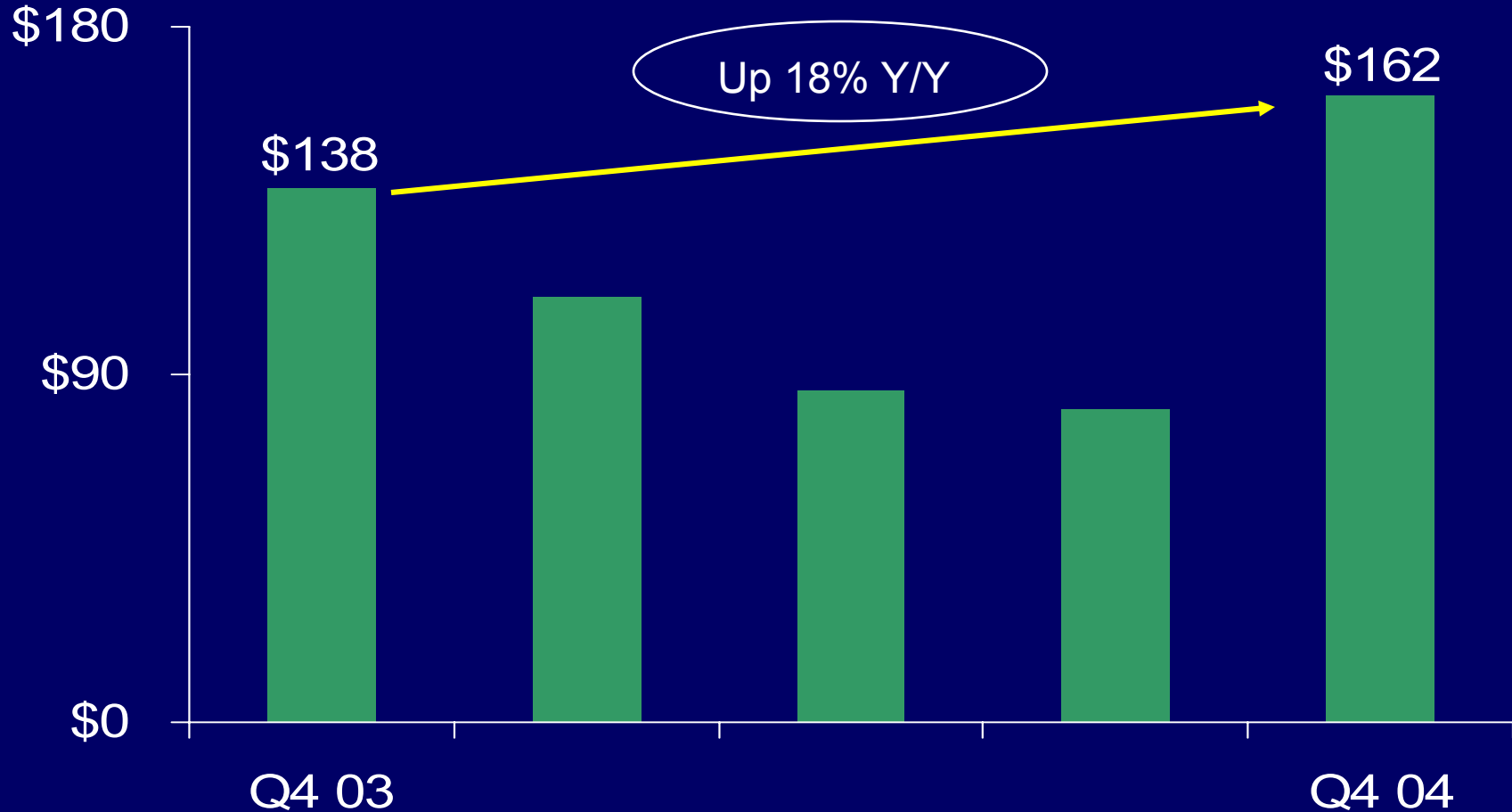


26% of WW Revenue From Non-Media Categories

Performance Trends

GAAP Operating Income

(\$MM)

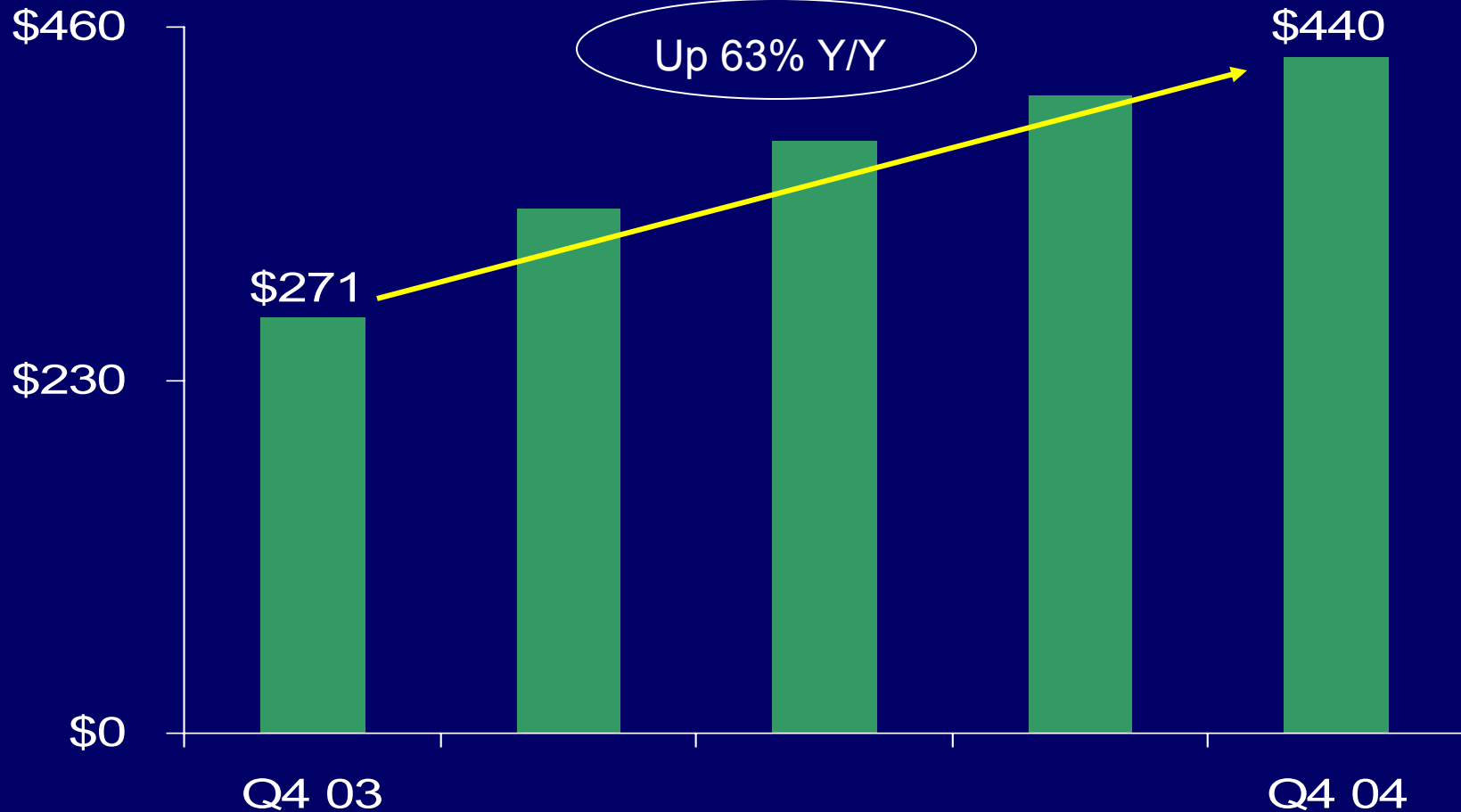


Q4 04 GAAP Operating Margin -- 6.4%

Performance Trends

GAAP Operating Income -- TTM

(\$MM)

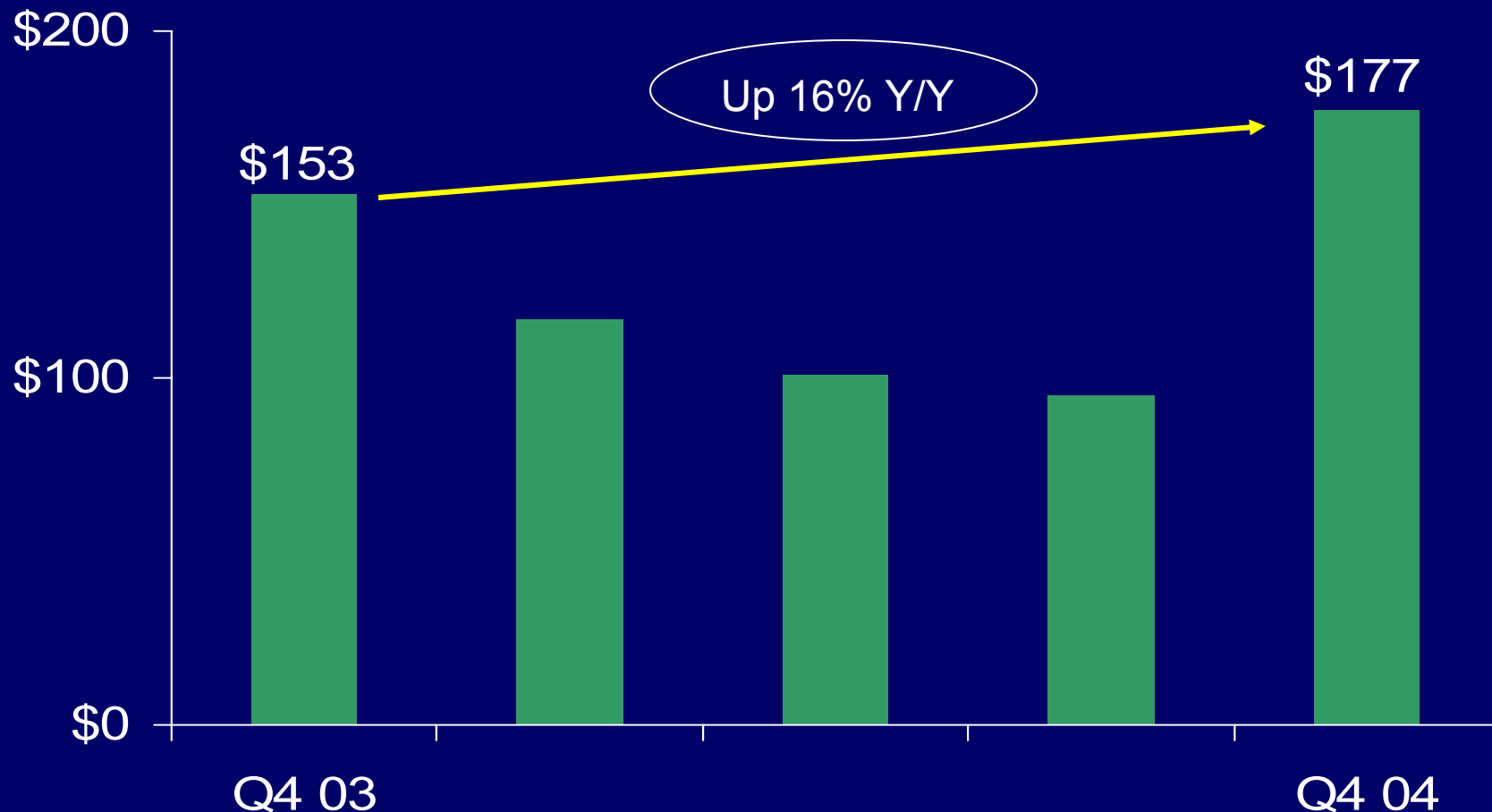


TTM GAAP Operating Margin -- 6.4%

Performance Trends

Consolidated Segment Operating Income*

(\$MM)

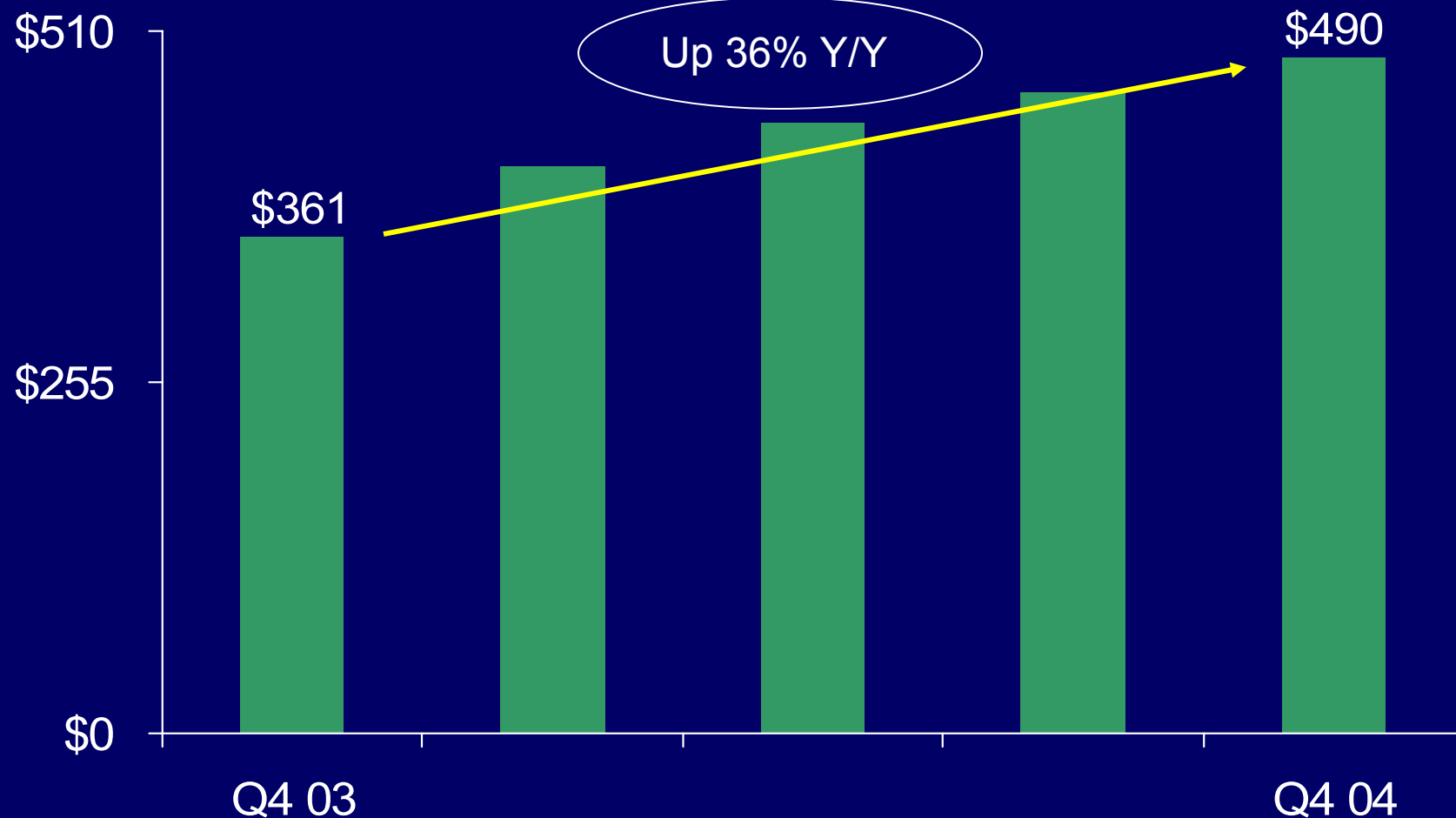


Q4 04 Consolidated Segment Operating Margin -- 7.0%

* See appendix

Performance Trends

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



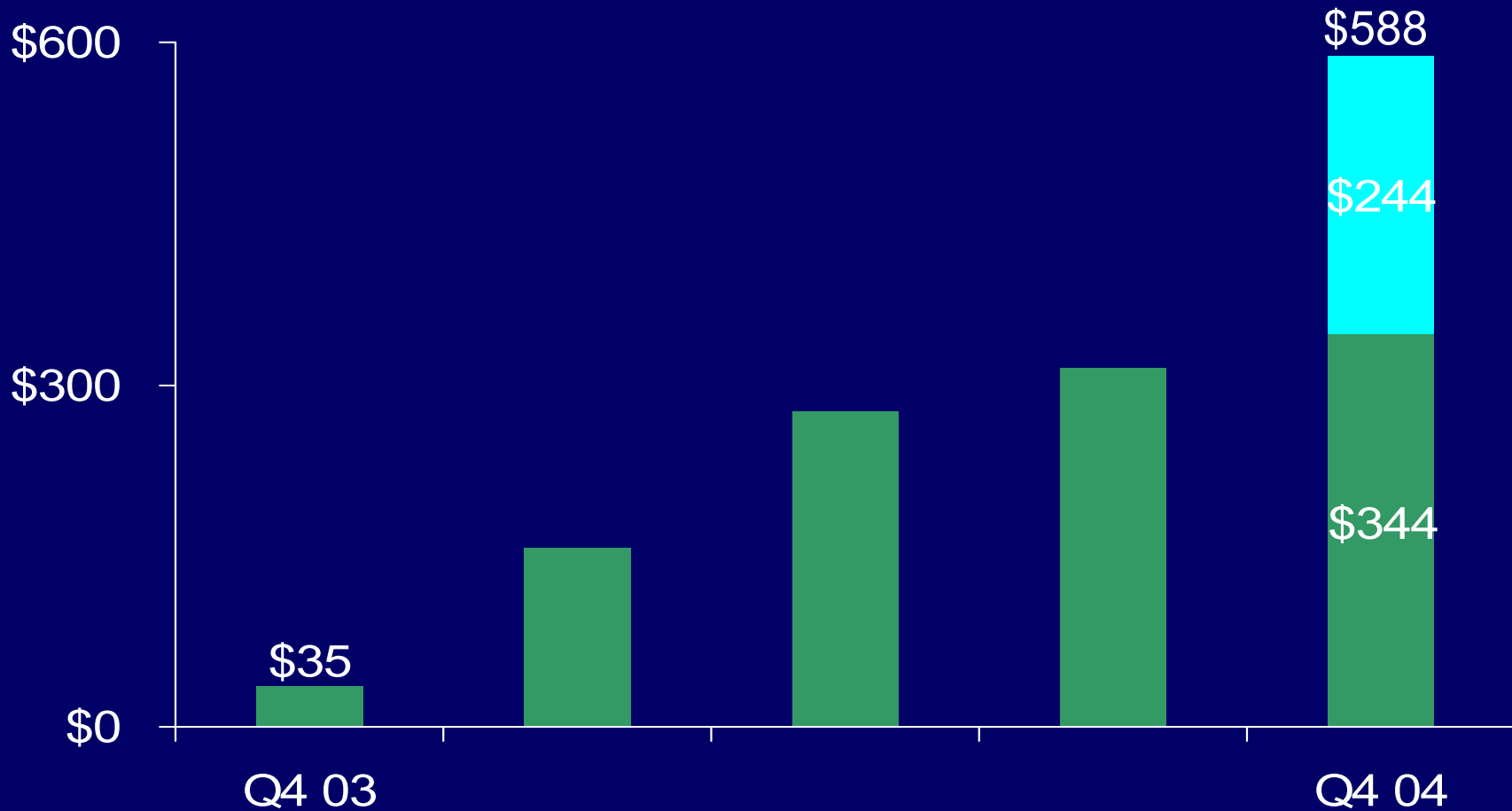
TTM Consolidated Segment Operating Margin -- 7.1%

* See appendix

Performance Trends

GAAP Net Income -- TTM

(\$MM)

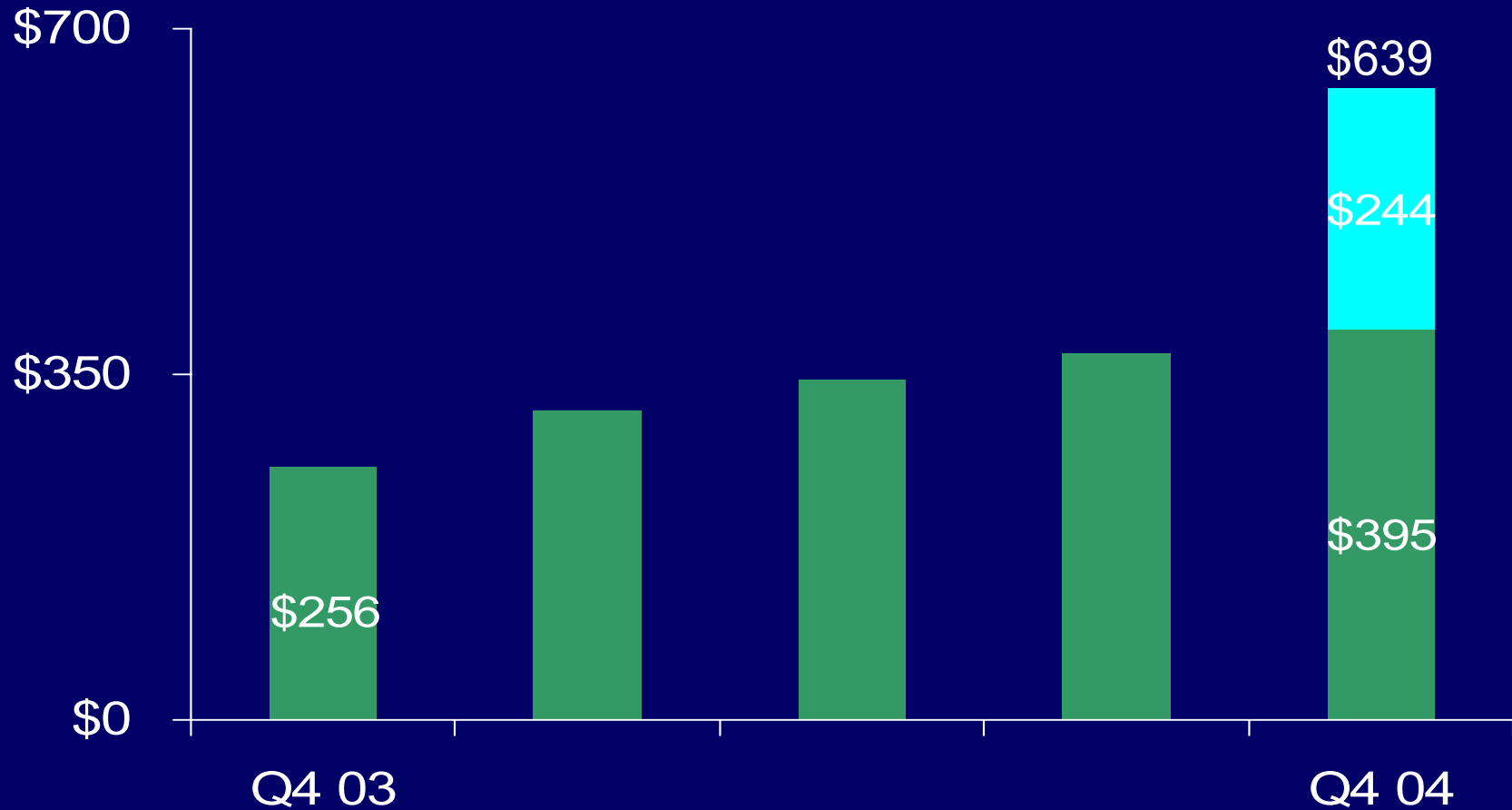


Q4 04 GAAP Net Income \$102MM Excluding the \$244MM Deferred Tax Benefit

Performance Trends

Pro Forma Net Income* -- TTM

(\$MM)



Q4 04 Pro Forma Net Income \$149MM, Excluding \$244MM Deferred Tax Benefit

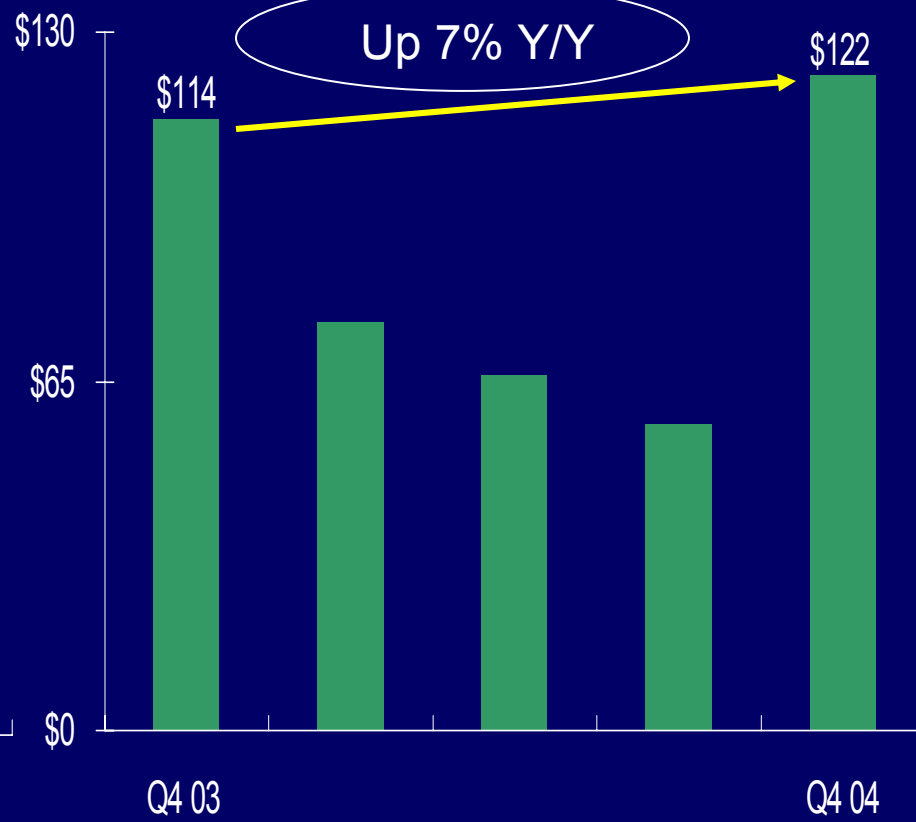
Segment Highlights

North America

(\$MM)

Net Sales

Segment Operating Income



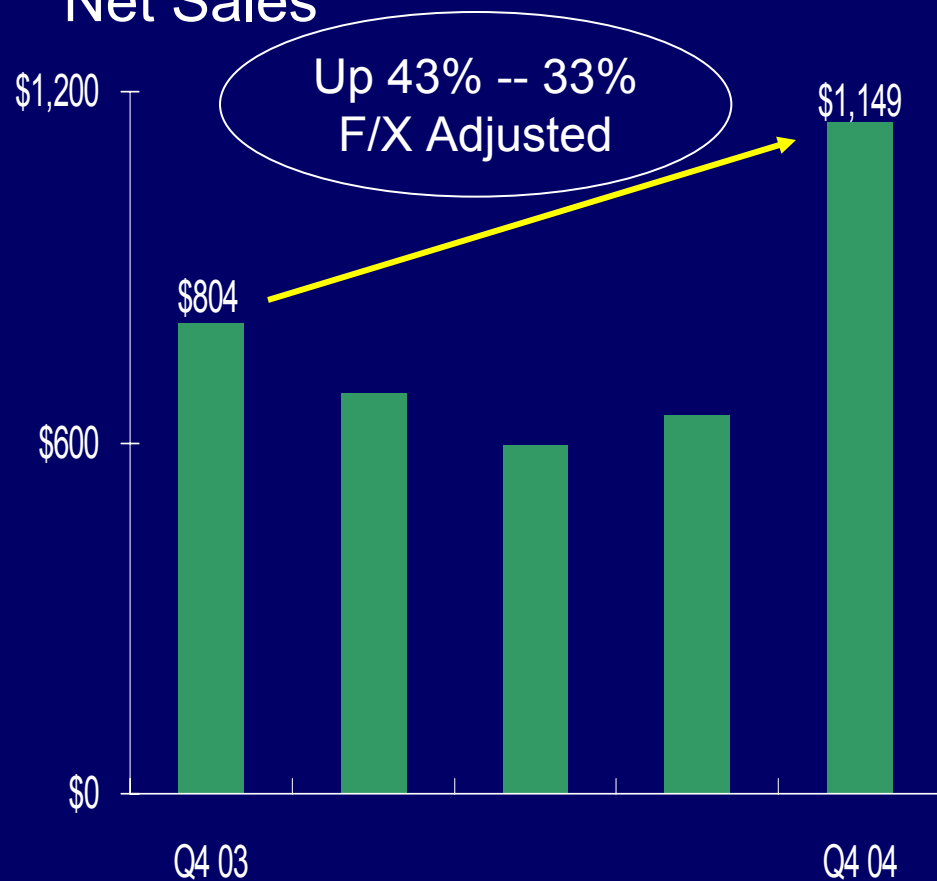
Q4 04 -- 8.8% Segment Operating Margin

Segment Highlights

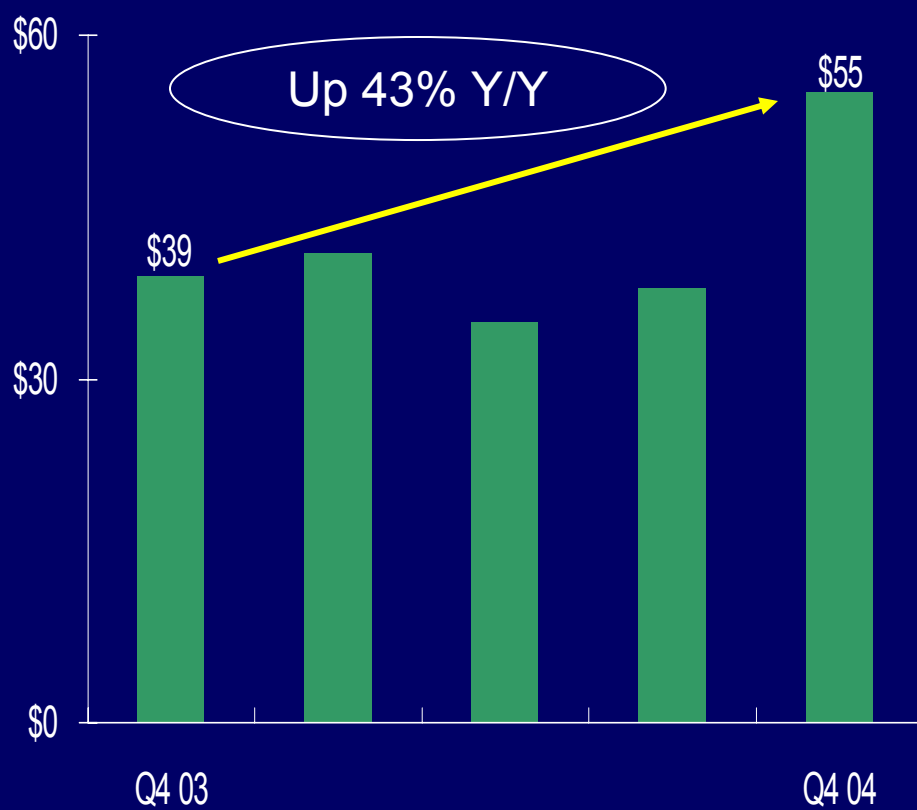
International

(\$MM)

Net Sales



Segment Operating Income



TTM Net Sales Over \$3 Billion

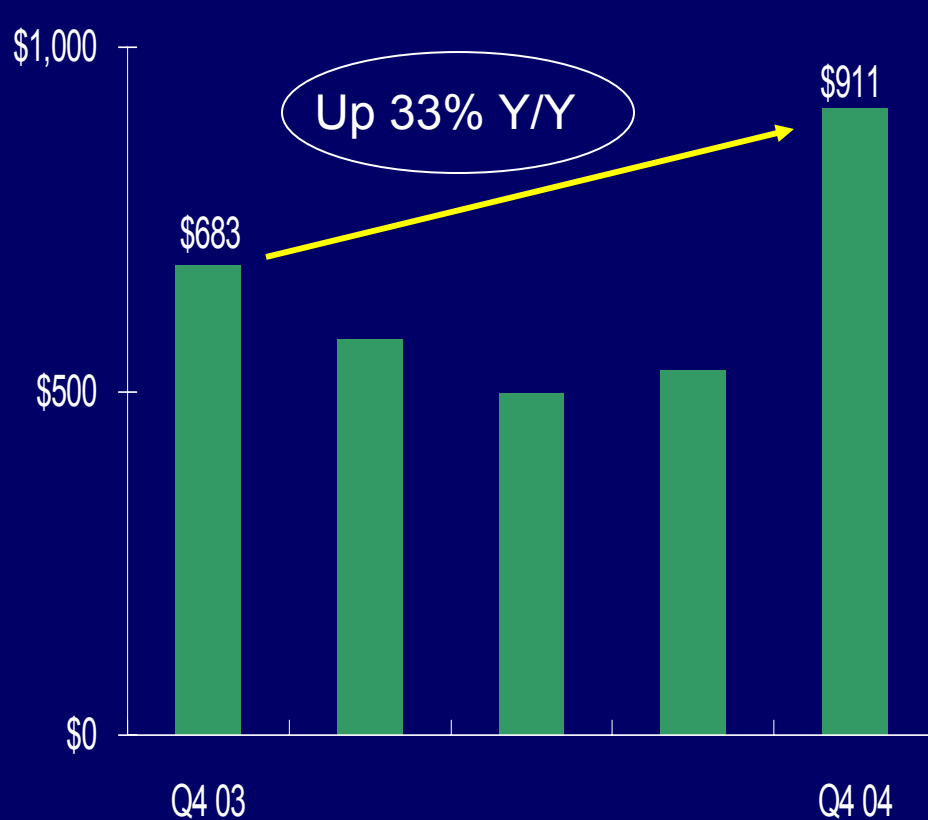
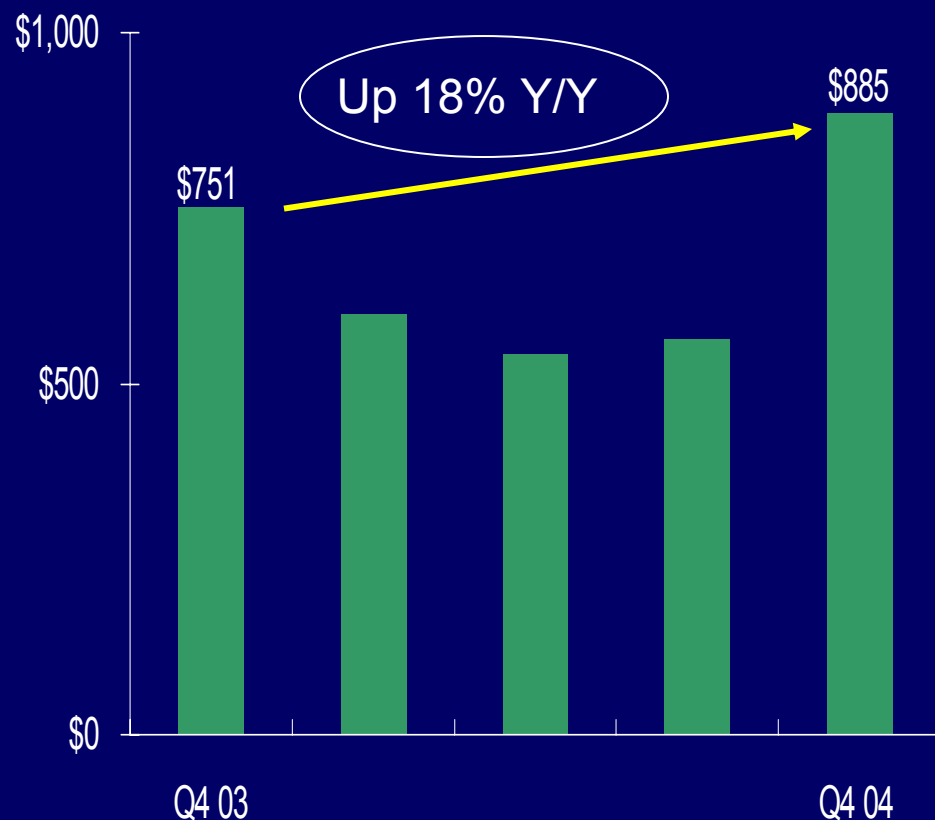
Supplemental Revenue Highlights

Media

(\$MM)

North America

International



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

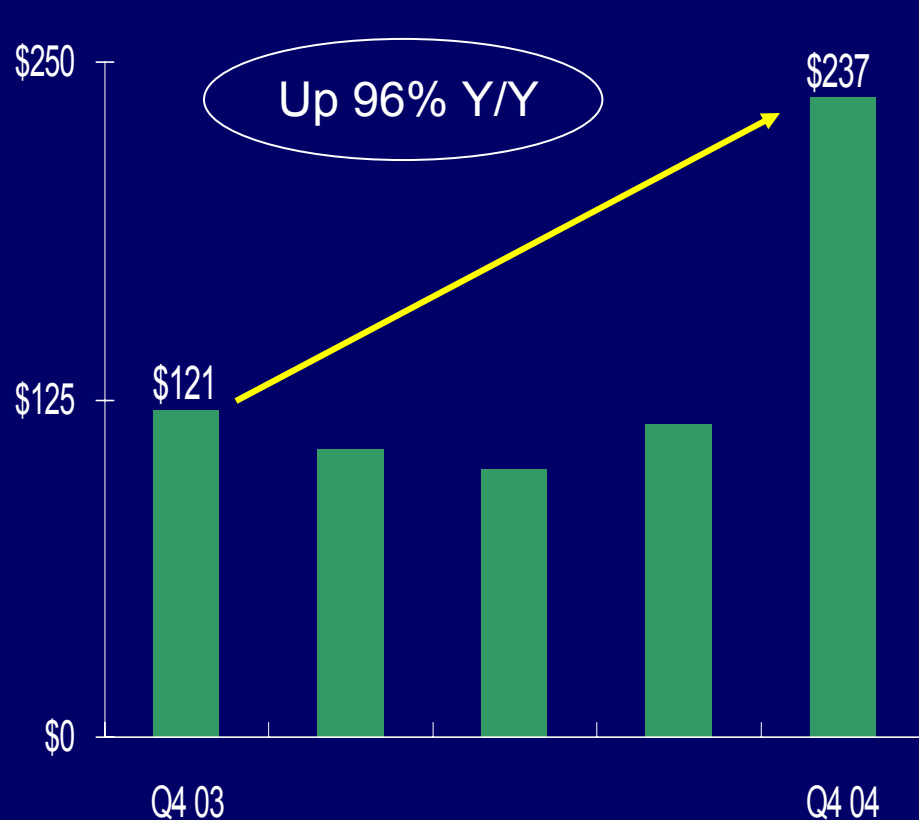
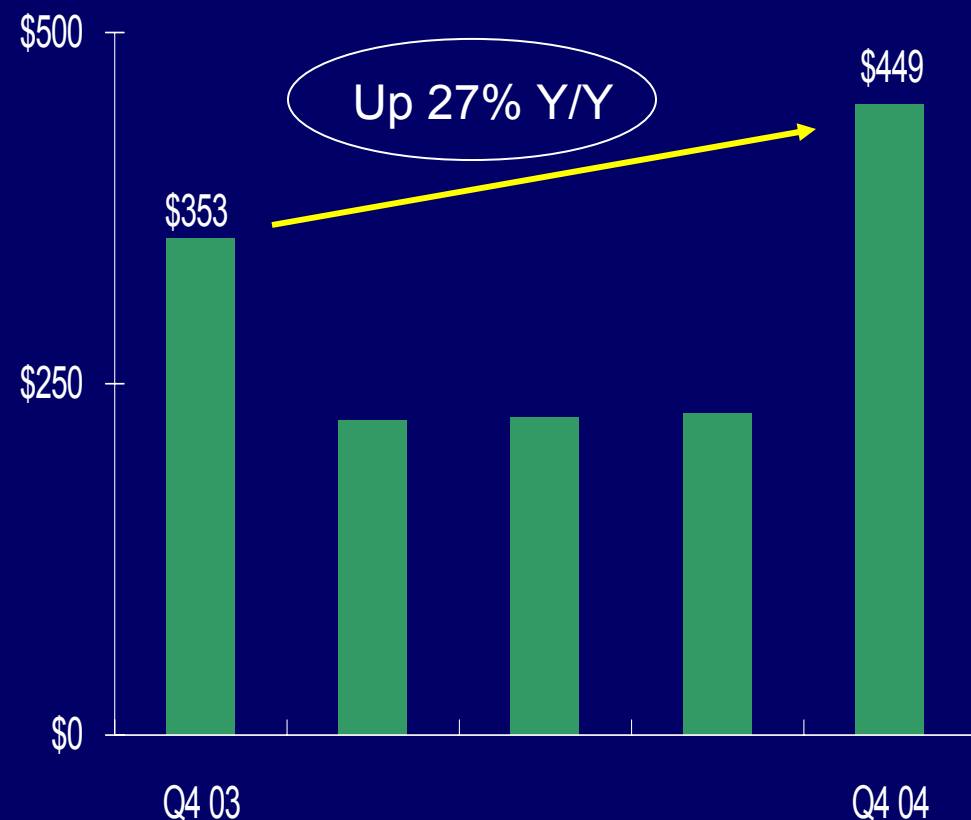
Supplemental Revenue Highlights

Electronics and Other General Merchandise (EGM)

(\$MM)

North America

International



EGM: Includes Electronics & Office, Tools, Toys & Baby, Home & Garden, Apparel, Sports & Outdoors, Jewelry & Watches, Gourmet Food, Beauty, and Health & Personal Care 16

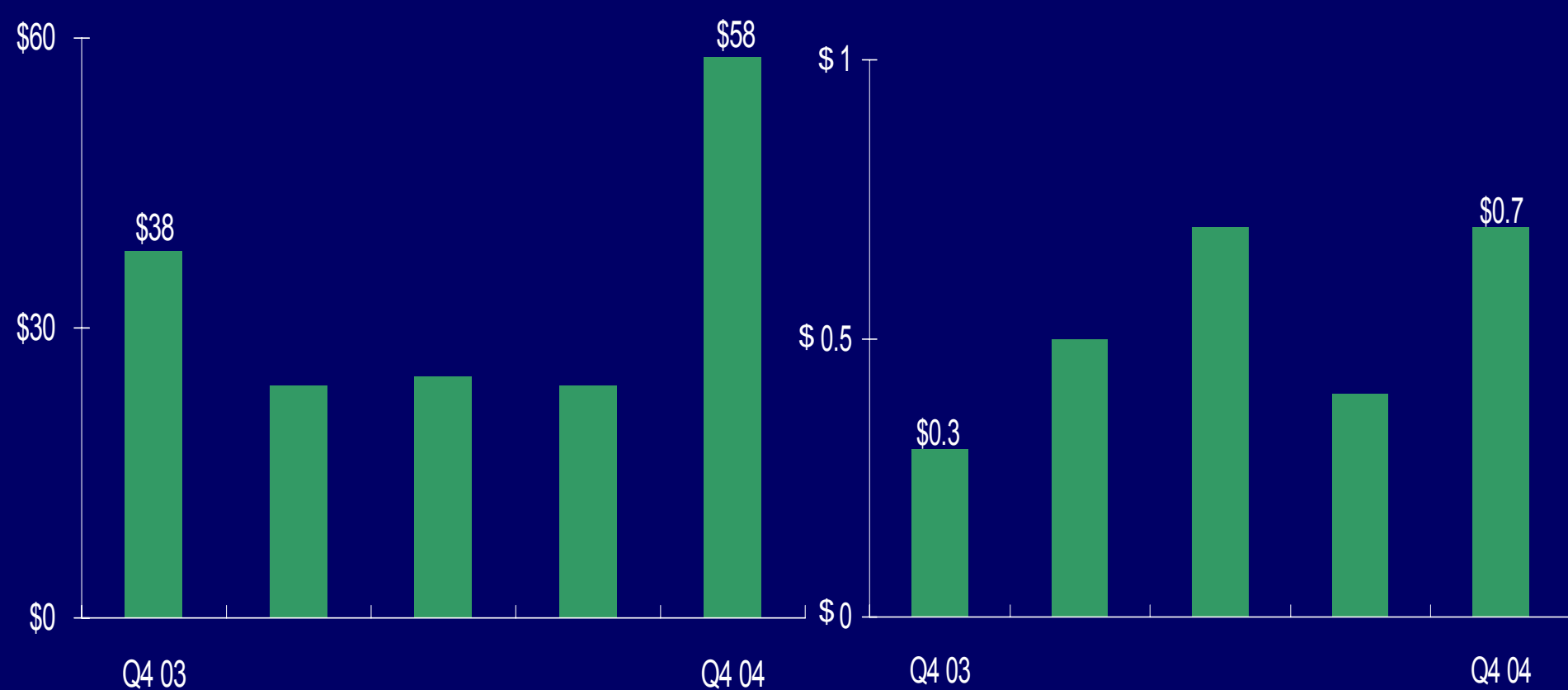
Supplemental Revenue Highlights

Other

(\$MM)

North America

International



Other: Merchant.com & Miscellaneous Marketing and Promotional Activities

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Appendix

Free Cash Flow

Reconciliation -- TTM

(\$MM)

	<u>Q4 03</u>	<u>Q1 04</u>	<u>Q2 04</u>	<u>Q3 04</u>	<u>Q4 04</u>
Operating Cash Flow	\$392	\$393	\$410	\$490	\$567
Less: Purchases of Fixed Assets	<u>46</u>	<u>49</u>	<u>56</u>	<u>70</u>	<u>89</u>
Free Cash Flow	<u>\$346</u>	<u>\$344</u>	<u>\$354</u>	<u>\$420</u>	<u>\$477</u>

Consolidated Segment Operating Income

Reconciliation

(\$MM)

	<u>Q4 03</u>	<u>Q1 04</u>	<u>Q2 04</u>	<u>Q3 04</u>	<u>Q4 04</u>
Consolidated Segment Operating Income	\$153	\$117	\$101	\$95	\$177
Less:					
Stock-Based Compensation	15	7	22	9	20
Other Operating Expense (Income)	--	(1)	(7)	5	(5)
GAAP Income From Operations	<u>\$138</u>	<u>\$110</u>	<u>\$86</u>	<u>\$81</u>	<u>\$162</u>

Consolidated Segment Operating Income

Reconciliation -- TTM

(\$MM)

	<u>Q4 03</u>	<u>Q1 04</u>	<u>Q2 04</u>	<u>Q3 04</u>	<u>Q4 04</u>
Consolidated Segment Operating Income	\$361	\$411	\$444	\$466	\$490
Less:					
Stock-Based Compensation	88	68	65	53	58
Other Operating Expense (Income)	3	1	(7)	(3)	(8)
GAAP Income From Operations	<u>\$271</u>	<u>\$342</u>	<u>\$386</u>	<u>\$416</u>	<u>\$440</u>

Pro Forma Net Income

Reconciliation -- TTM

(\$MM)

	<u>Q4 03</u>	<u>Q1 04</u>	<u>Q2 04</u>	<u>Q3 04</u>	<u>Q4 04</u>
Pro Forma Net Income	\$256	\$313	\$345	\$370	\$639*
Less:					
Stock-Based Compensation	88	68	65	53	58
Other Operating Expense (Income)	3	1	(7)	(3)	(8)
Remeasurements and Other	130	88	11	5	1
GAAP Net Income	<u>\$35</u>	<u>\$157</u>	<u>\$276</u>	<u>\$315</u>	<u>\$588</u>

*Q4 04 Includes a \$244MM benefit from tax deferred assets