



**Q1 2003 Financial Results
Conference Call Highlights**

Amazon.com

This presentation may contain forward-looking statements, including statements regarding expectations of sales, gross margin, productivity, leverage, 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, among others, the potential changes in general economic conditions, Amazon.com's risks related to potential future losses, significant amount of indebtedness, competition, commercial agreements and strategic alliances, seasonality, potential fluctuations in operating results and rate of growth, foreign exchange rates, management of potential growth, system interruption, international expansion, consumer trends, inventory, fulfillment center optimization, 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, 2002, 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 and Annual Reports'.

Performance Trends

Net Sales

(\$MM)

\$1,500

\$900

\$300

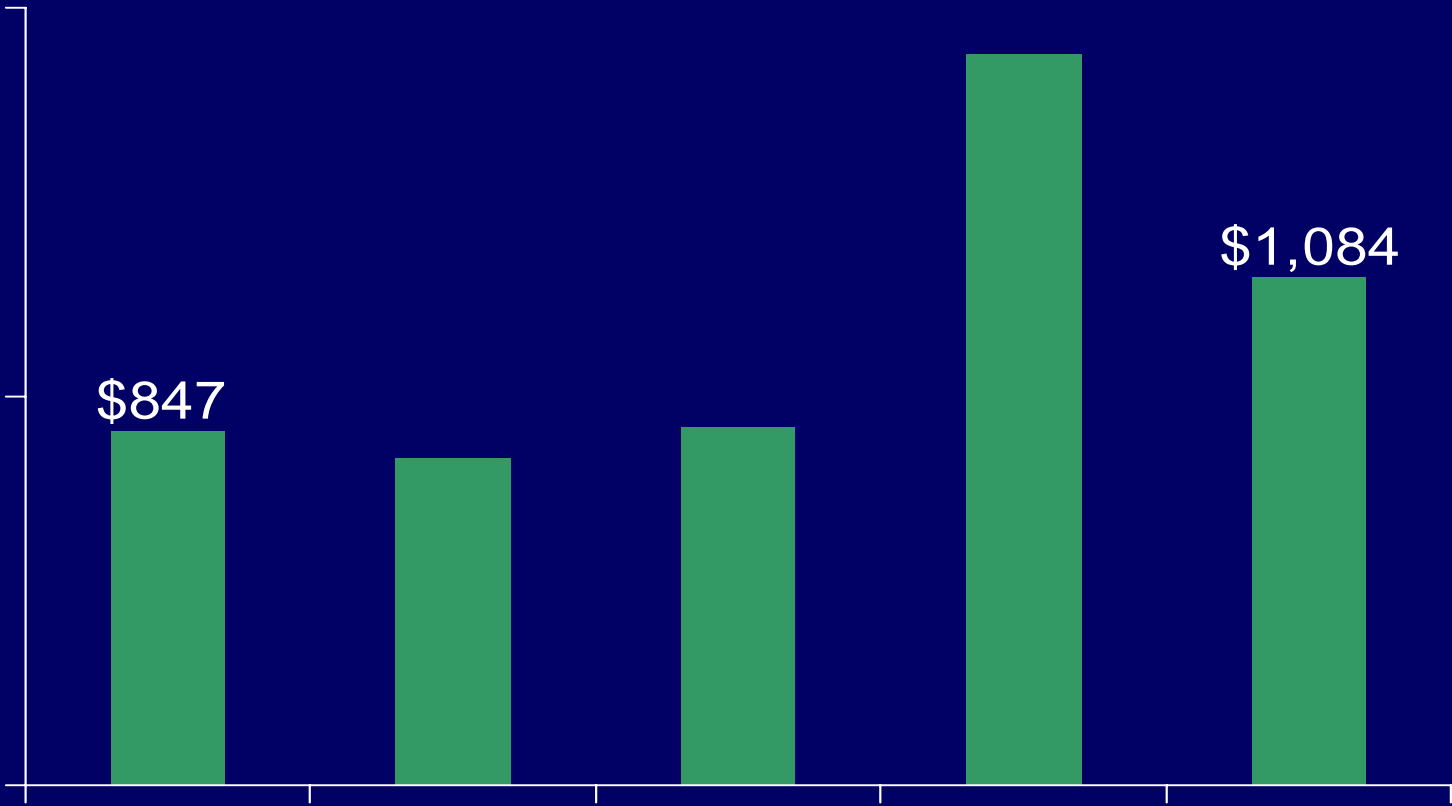
Q1 02

Q1 03

\$847

\$1,084

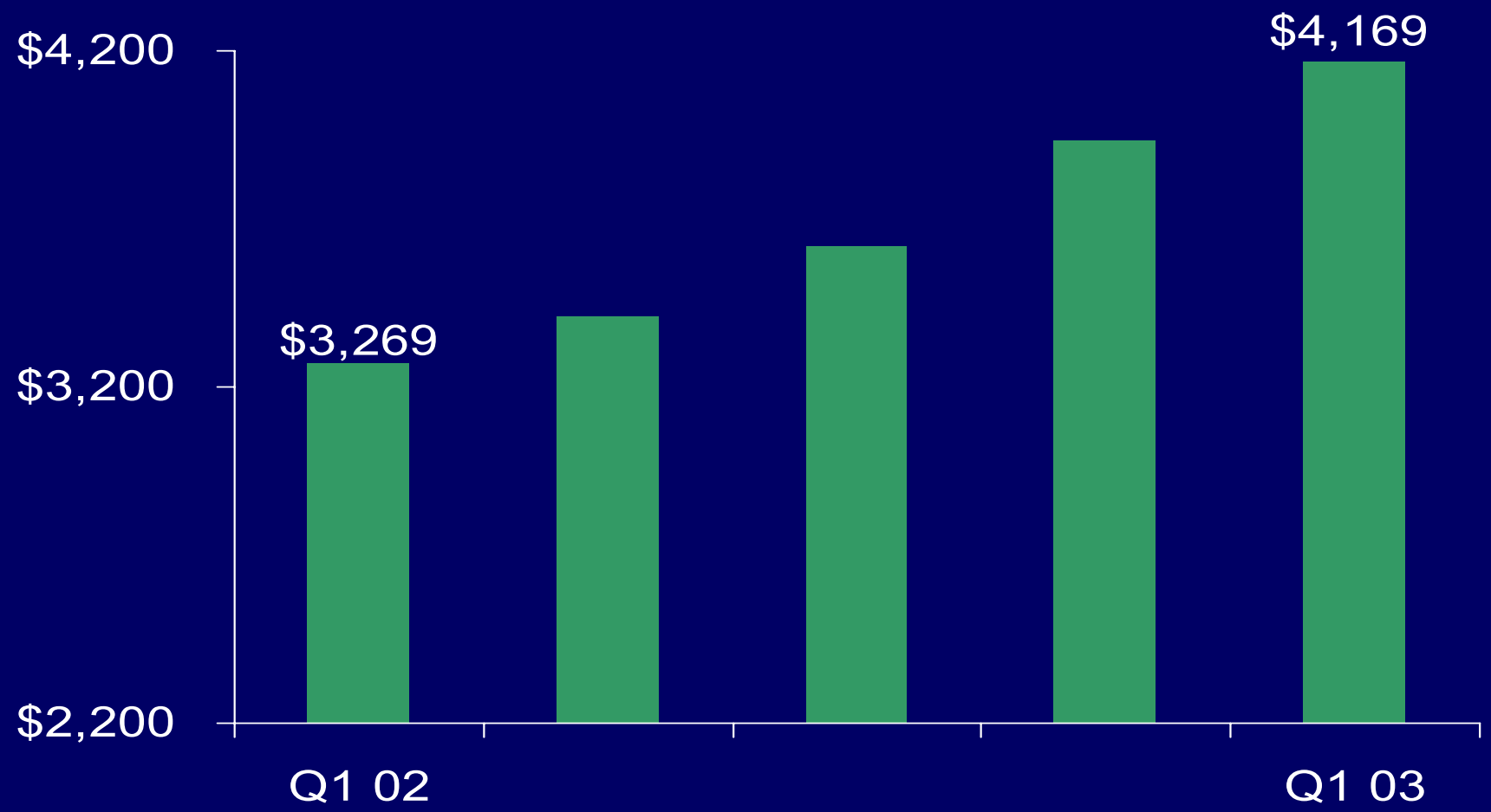
Up 28% Y / Y



Performance Trends

Net Sales -- Trailing Four Quarters (TFQ)

(\$MM)

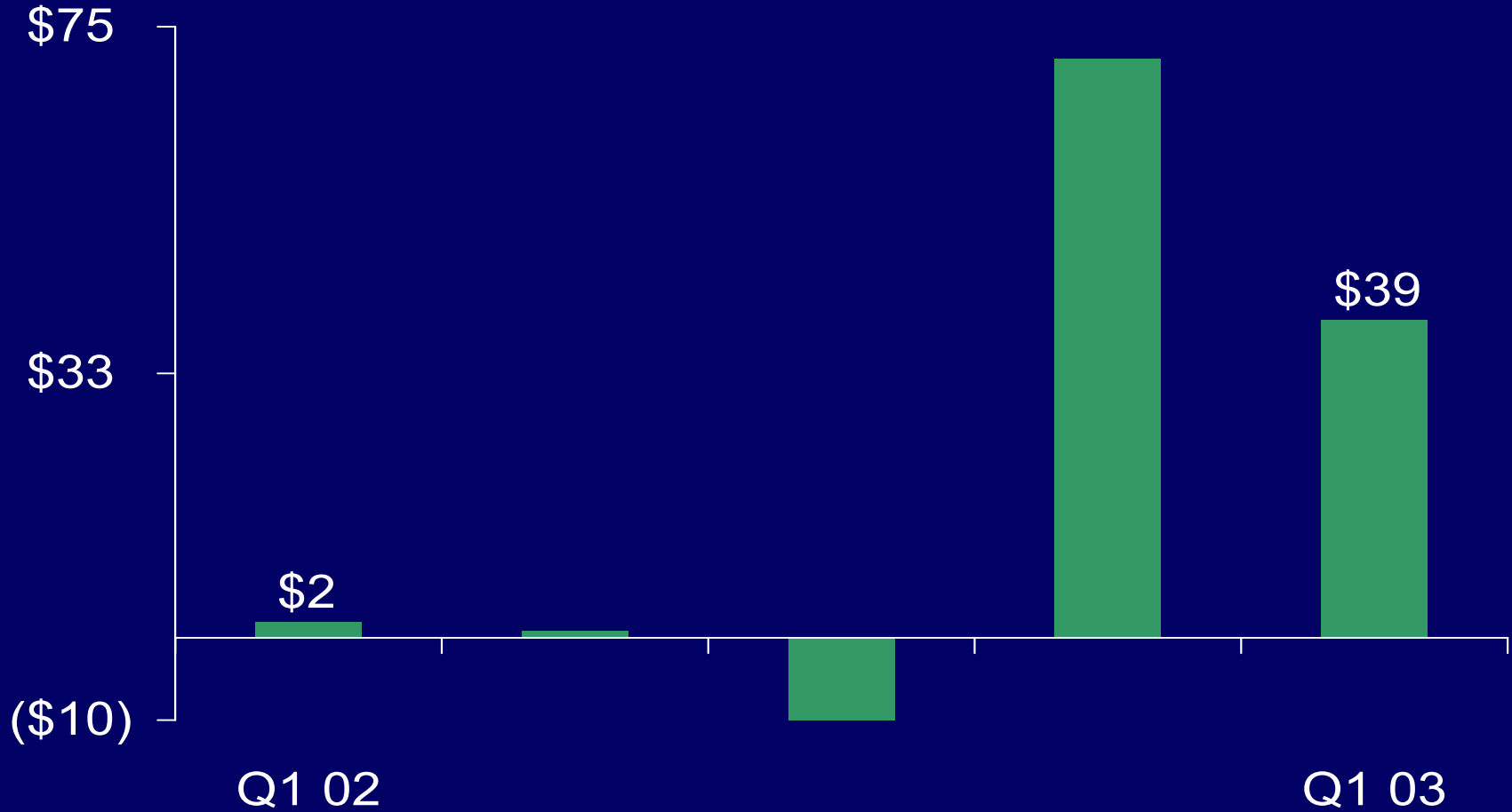


Up 28% Y / Y

Performance Trends

GAAP Operating Income (Loss)

(\$MM)

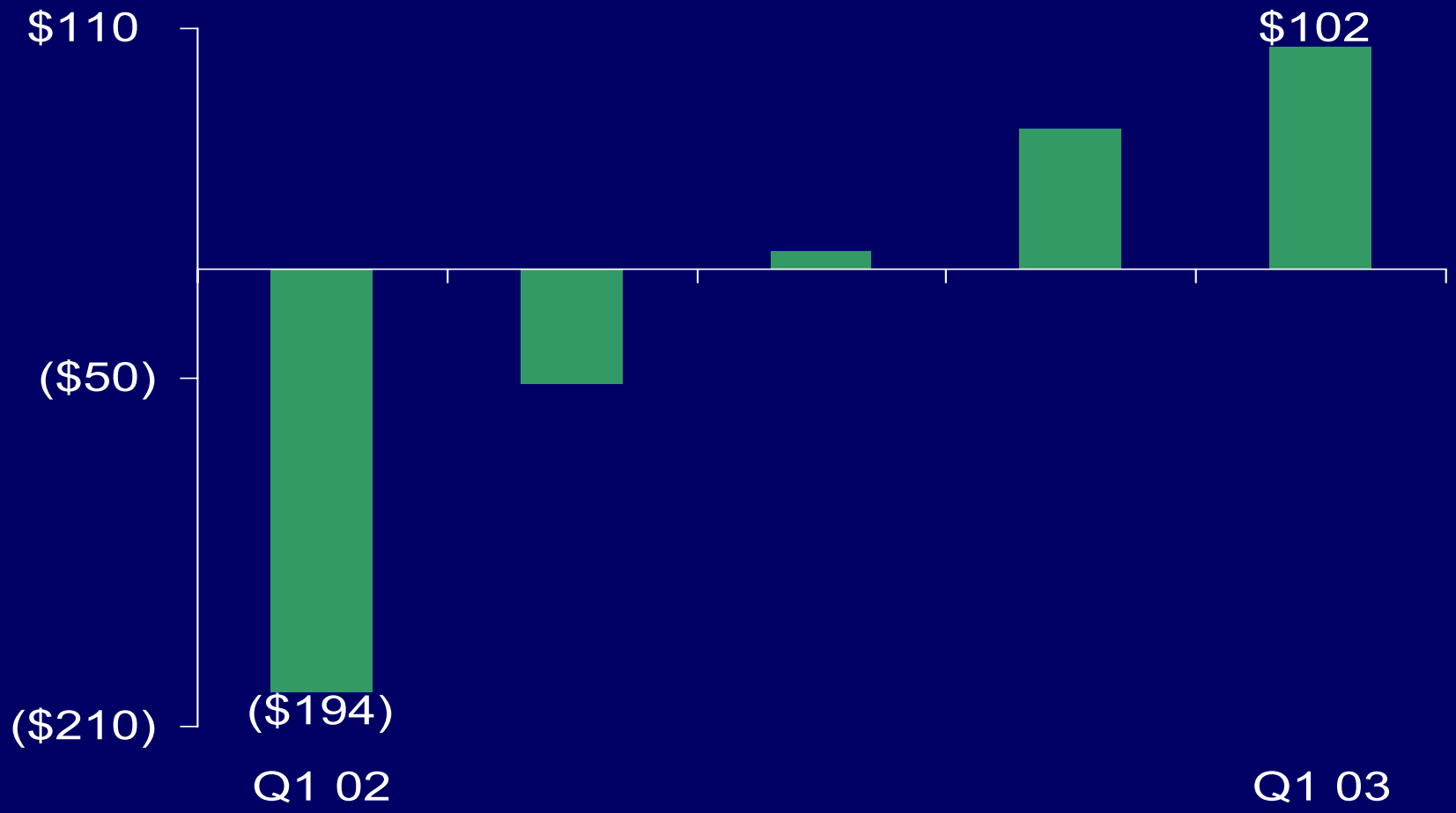


\$37MM Improvement Y / Y

Performance Trends

GAAP Operating Income (Loss) --TFQ

(\$MM)

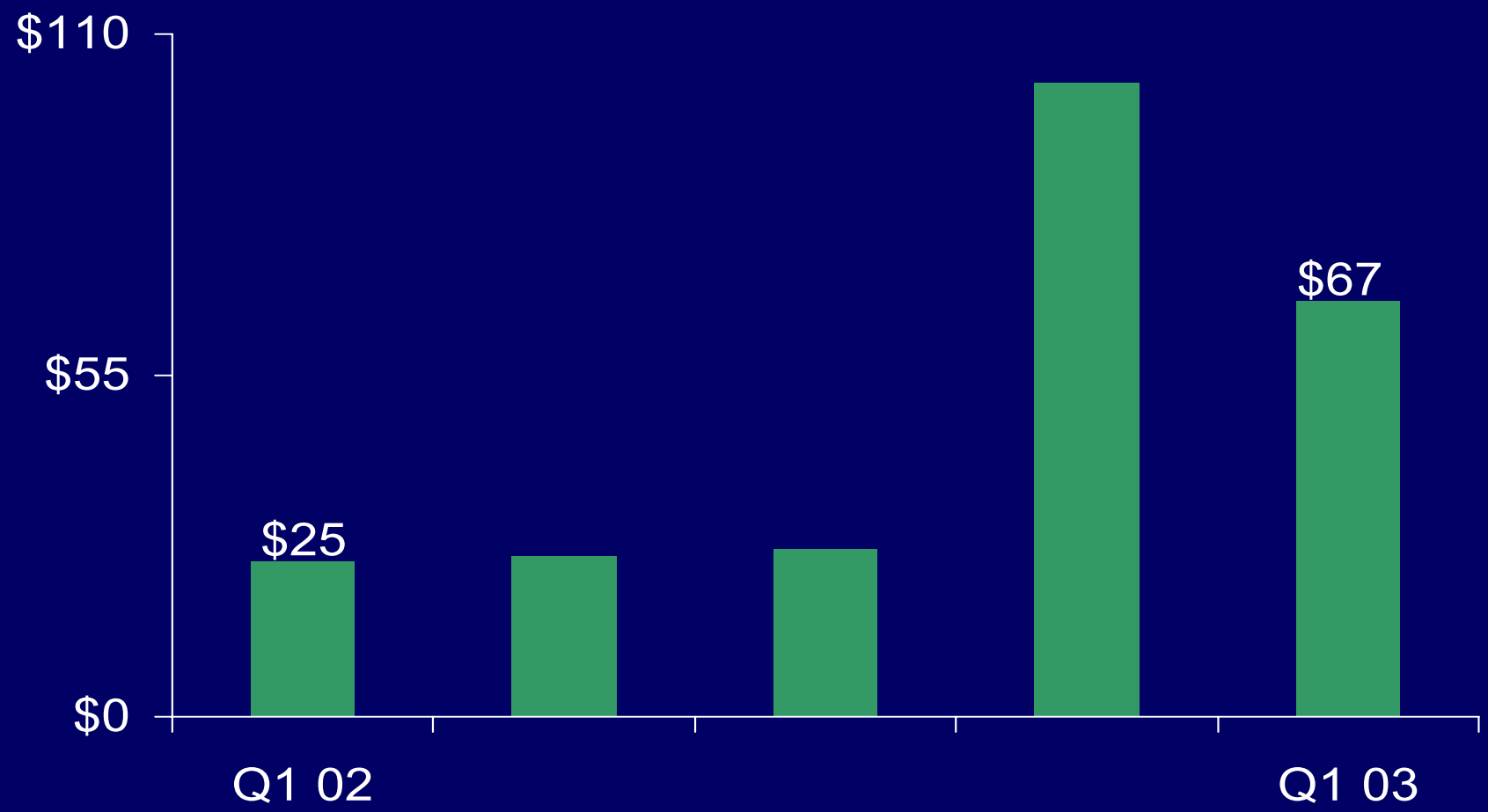


\$296MM Improvement Y / Y

Performance Trends

Consolidated Segment Operating Income

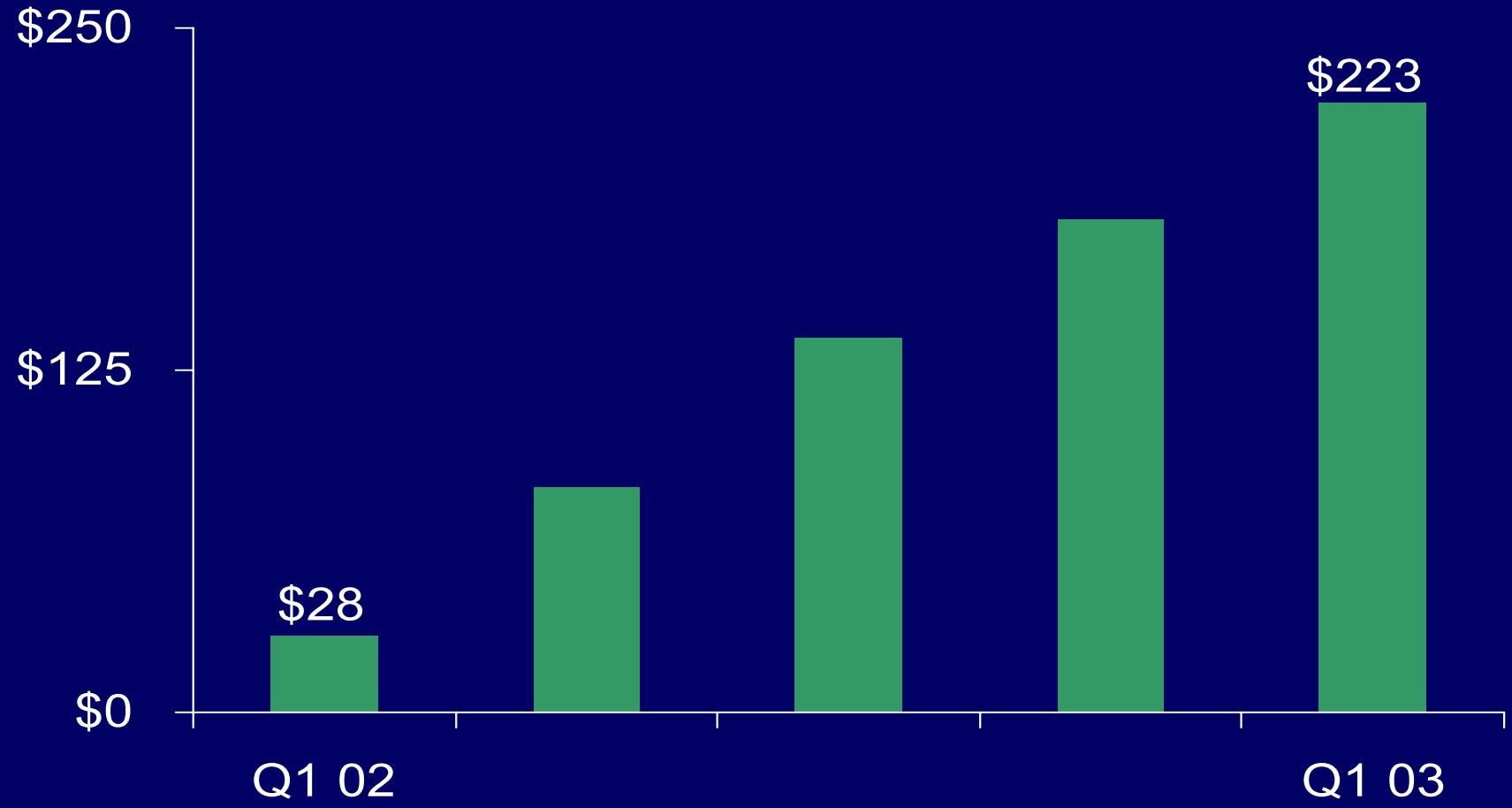
(\$MM)



6% Consolidated Segment Operating Margin

Performance Trends

Consolidated Segment Operating Income --TFQ
(\$MM)

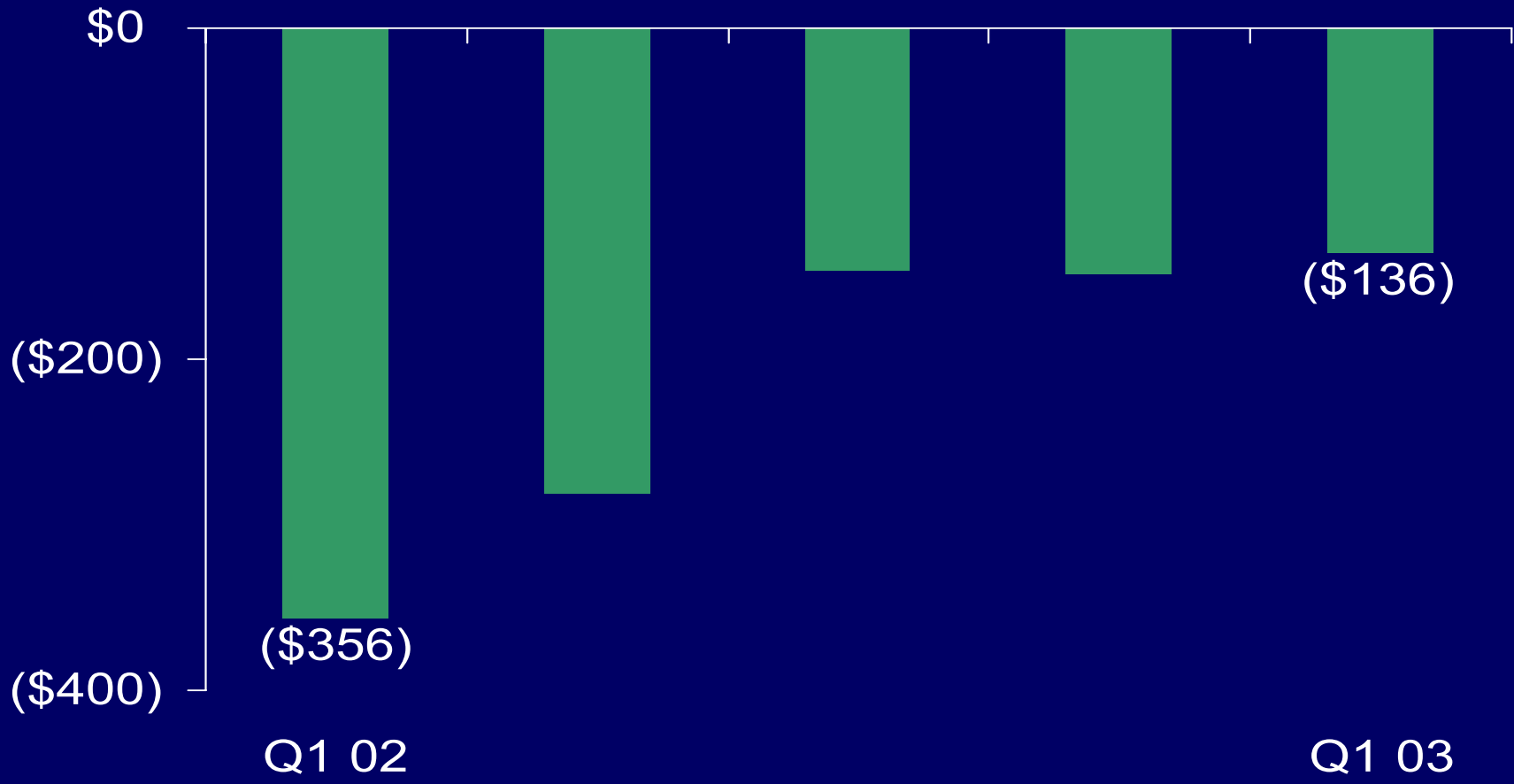


5% Consolidated Segment Operating Margin

Performance Trends

GAAP Net Loss --TFQ

(\$MM)



Q1 03 GAAP Net Loss (\$10MM), EPS (\$0.03)

GAAP Net Income (Loss) vs. Cash Flow

Trailing Four Quarters

(\$MM)

\$200

(\$650)

(\$1,500)

Q1 00

Q1 03

Cash Flow From Operations

Free Cash Flow*

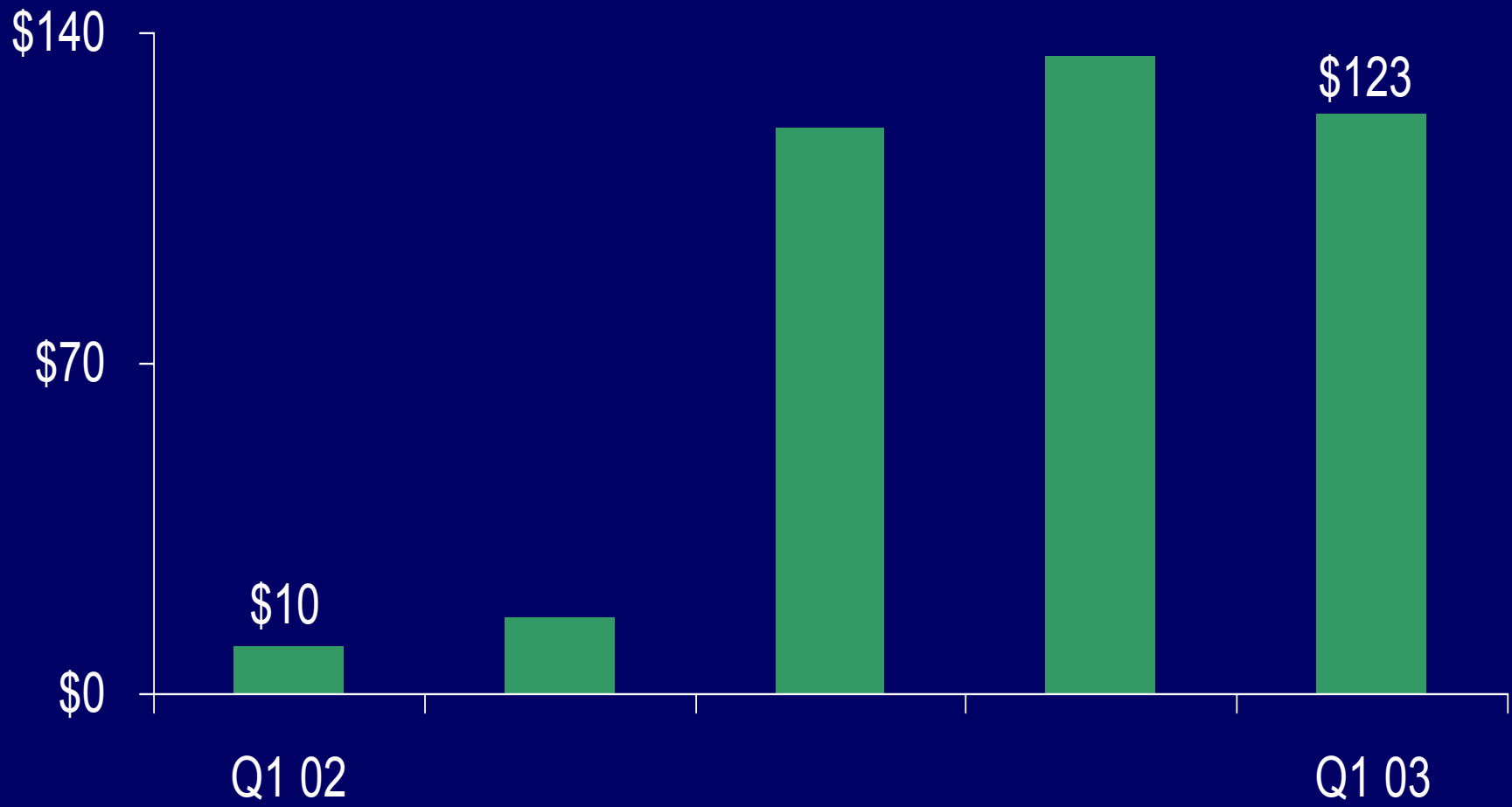
GAAP Net Loss

Free Cash Flow -- Our Most Important Financial Measure

* Operating Cash Less Capital Expenditures -- see appendix

Performance Trends

Free Cash Flow* -- TFQ
(\$MM)



Over \$100MM Improvement Y / Y

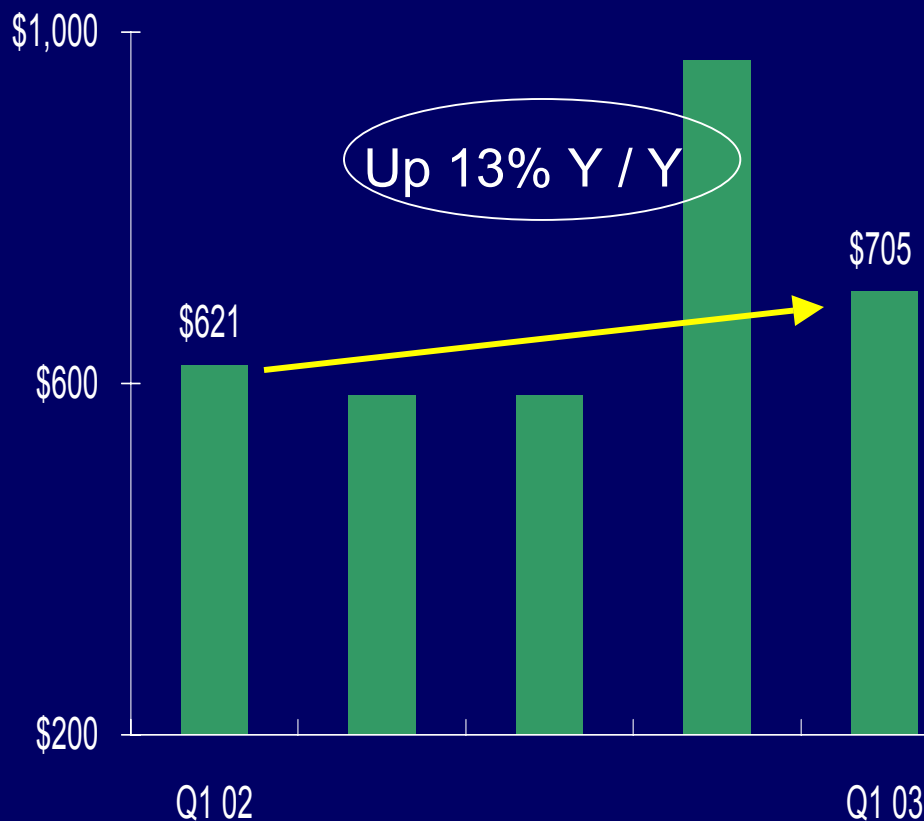
* Operating Cash Less Capital Expenditures -- see appendix

Segment Highlights

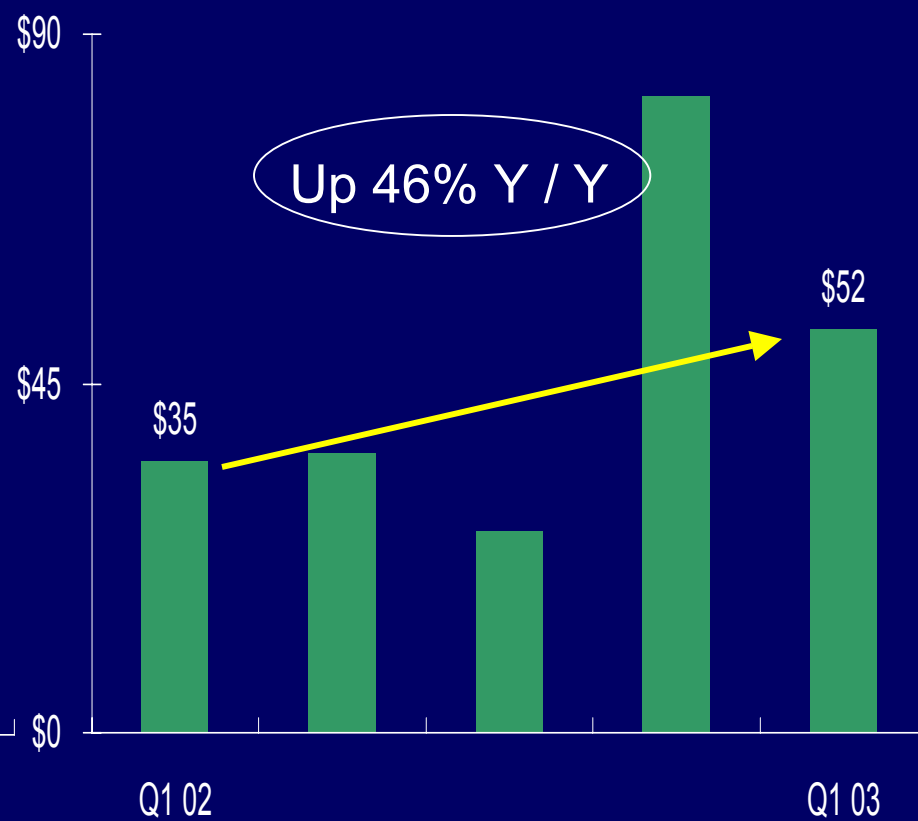
North America

(\$MM)

Net Sales



Operating Income



7% Segment Operating Margin

Segment Highlights

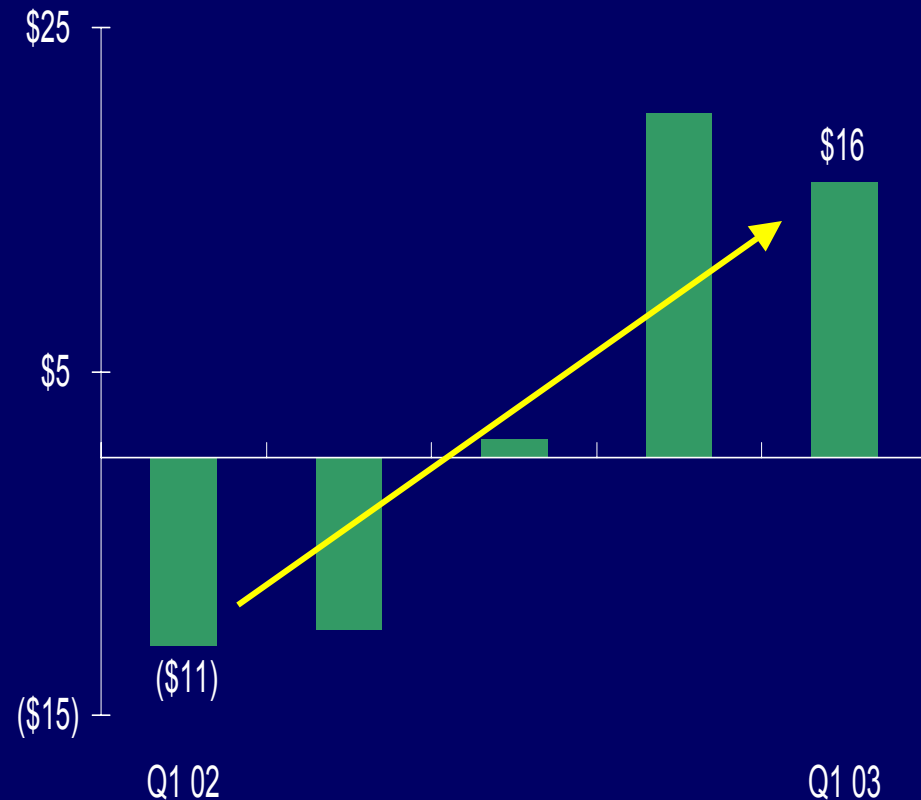
International

(\$MM)

Net Sales



Operating Income (Loss)



TFQ Net Sales Over \$1.3 Billion

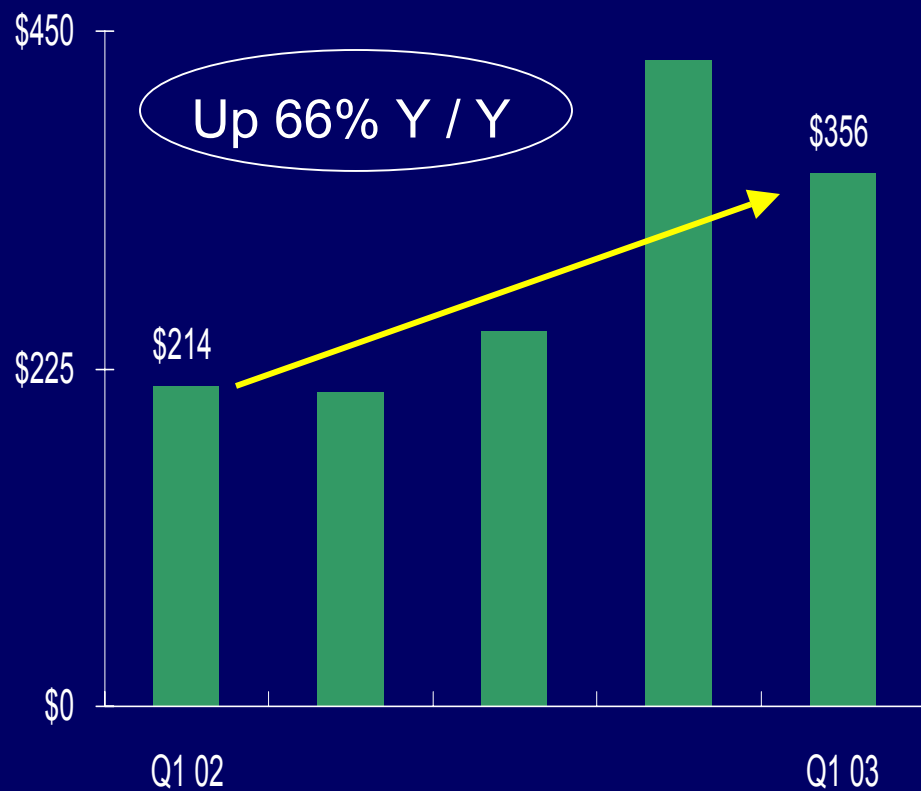
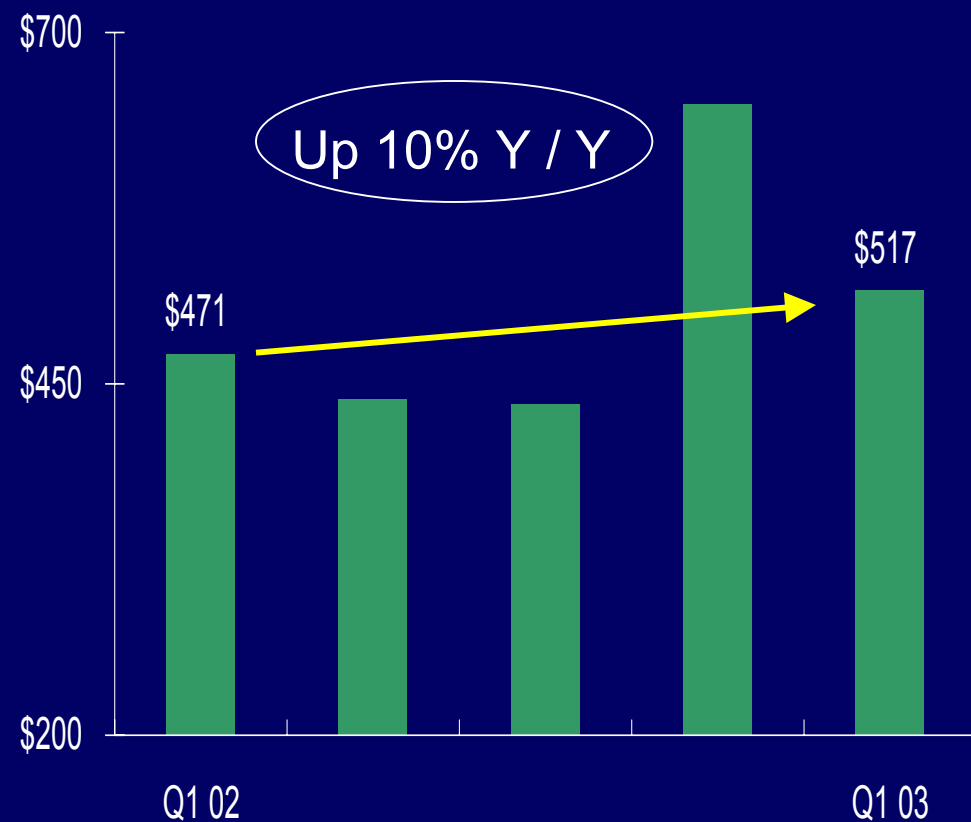
Supplemental Revenue Highlights

Media

(\$MM)

North America

International



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

Supplemental Revenue Highlights

Electronics and Other General Merchandise

(\$MM)

North America

International



Over 10 Times the Selection of a Big Box Electronics Store

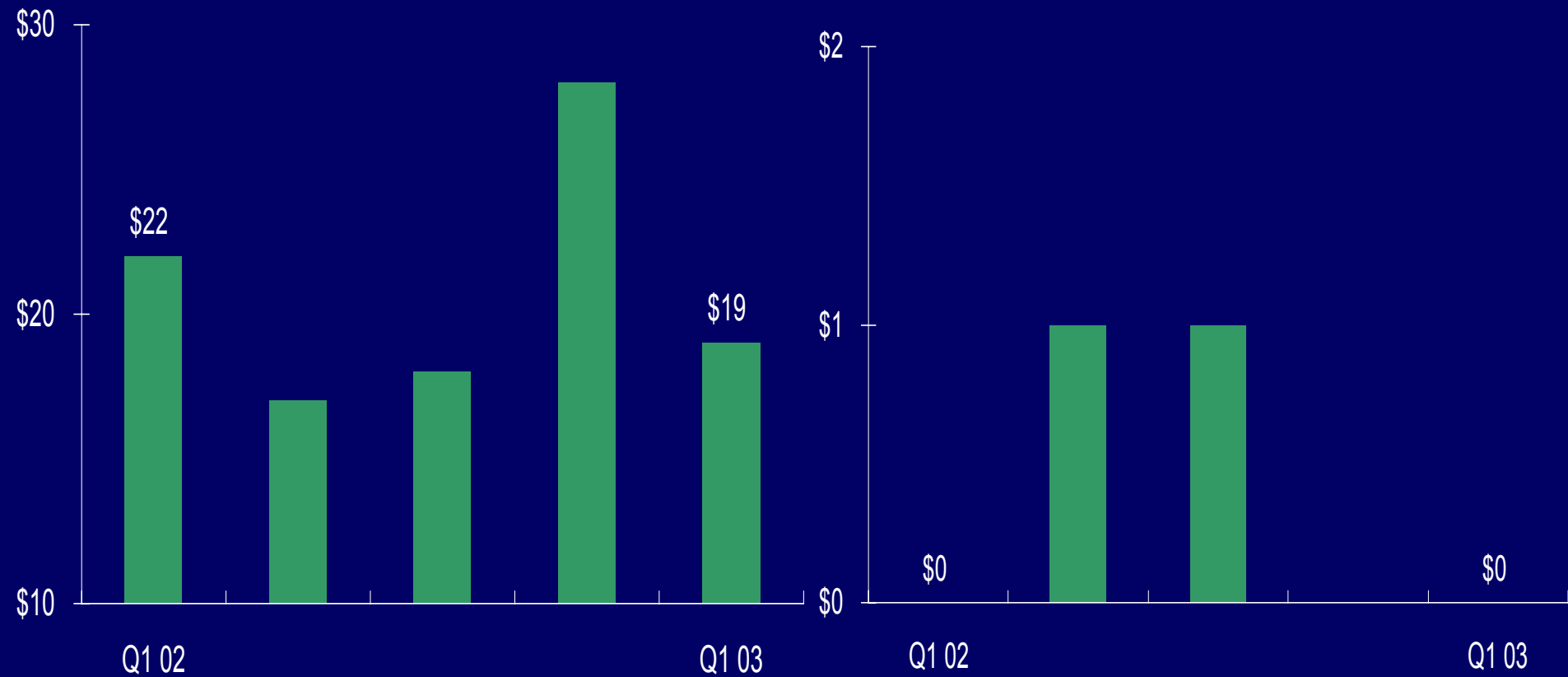
Supplemental Revenue Highlights

Other

(\$MM)

North America

International



amazon.com[®]
and you're done.[™]

Appendix

Free Cash Flow

Reconciliation -- Trailing Four Quarters

	<u>Q1 02</u>	<u>Q2 02</u>	<u>Q3 02</u>	<u>Q4 02</u>	<u>Q1 03</u>
Operating Cash Flow	\$46	\$48	\$151	\$174	\$164
Less: Purchase of Fixed Assets	<u>36</u>	<u>33</u>	<u>31</u>	<u>39</u>	<u>41</u>
Free Cash Flow	<u>\$10</u>	<u>\$16</u>	<u>\$120</u>	<u>\$135</u>	<u>\$123</u>