

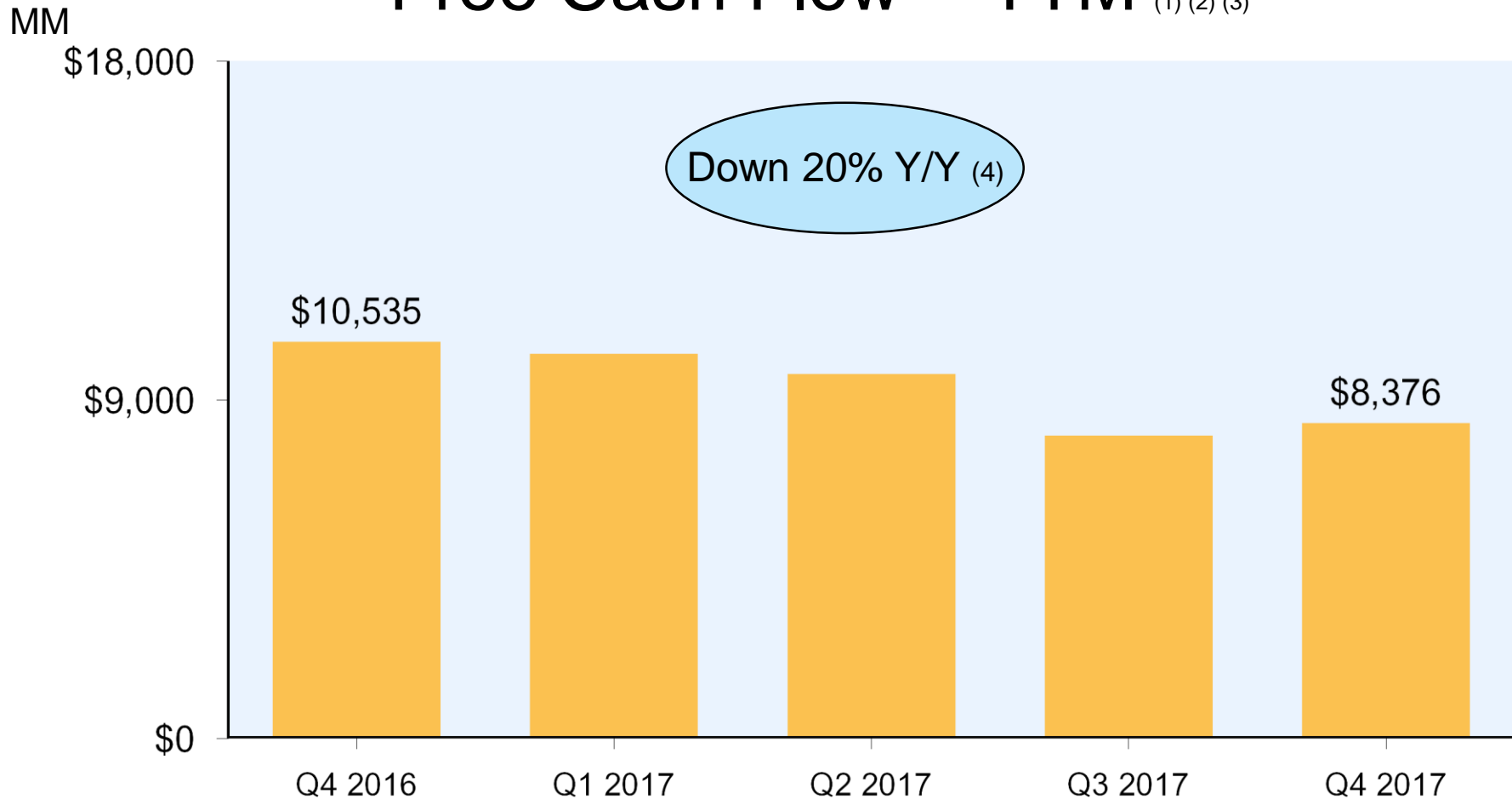


**Q4 2017 Financial Results  
Conference Call Slides**

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 customer spending, world events, the rate of growth of the Internet, online commerce, and cloud services, the amount that Amazon.com invests in new business opportunities and the timing of those investments, the mix of products and services sold to customers, the mix of net sales derived from products as compared with services, the extent to which we owe income or other taxes, competition, management of growth, potential fluctuations in operating results, international growth and expansion, the outcomes of legal proceedings and claims, fulfillment, sortation, delivery, and data center optimization, risks of inventory management, seasonality, the degree to which the Company enters into, maintains, and develops commercial agreements, proposed and completed acquisitions and strategic transactions, payments risks, and risks of fulfillment throughput and productivity. Other risks and uncertainties include, among others, risks related to new products, services, and technologies, system interruptions, government regulation and taxation, and fraud. In addition, the current global economic climate amplifies 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 most recent Annual Report on Form 10-K and subsequent filings.

Additional information relating to certain of our financial measures contained herein, including non-GAAP financial measures, is available in the appendix to our presentation, our most recent earnings release and at our website at [www.amazon.com/ir](http://www.amazon.com/ir).

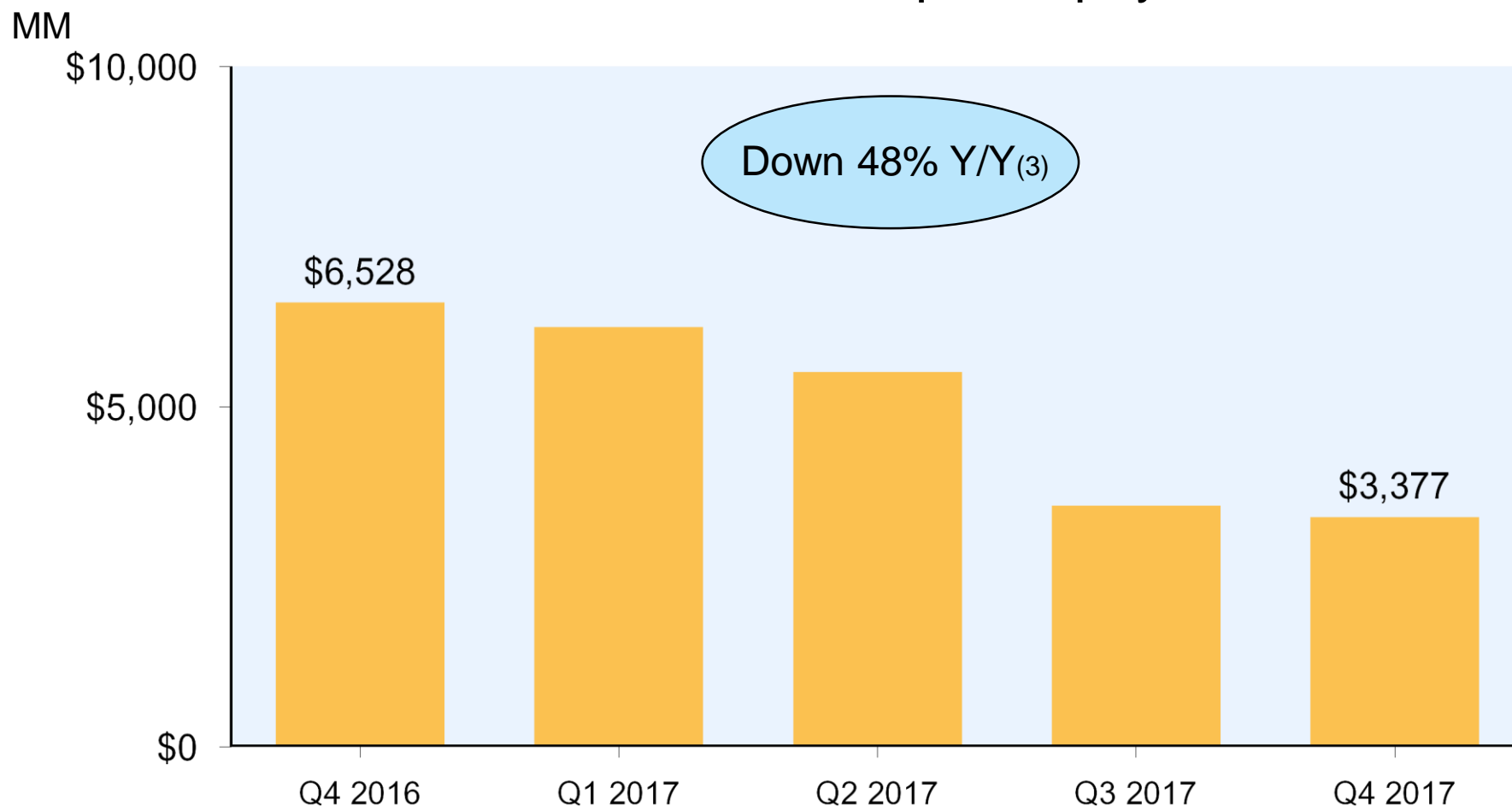
# Free Cash Flow -- TTM <sup>(1) (2) (3)</sup>



## Long-Term Goal – Optimize Free Cash Flows

- (1) Free cash flow is cash flow from operations reduced by “Purchases of property and equipment, including internal-use software and website development, net of proceeds from property and equipment incentives,” which both are included in cash flow from investing activities. See Appendix for a reconciliation of operating cash flow to free cash flow.
- (2) Trailing twelve-month period.
- (3) As a result of accounting guidance adopted in Q1 2017, we retrospectively adjusted our consolidated statements of cash flows to reclassify excess tax benefits from financing activities to operating activities. The amount of the adjustment was \$829 million for TTM Q4 2016.
- (4) Operating cash flow grew 7% Y/Y.

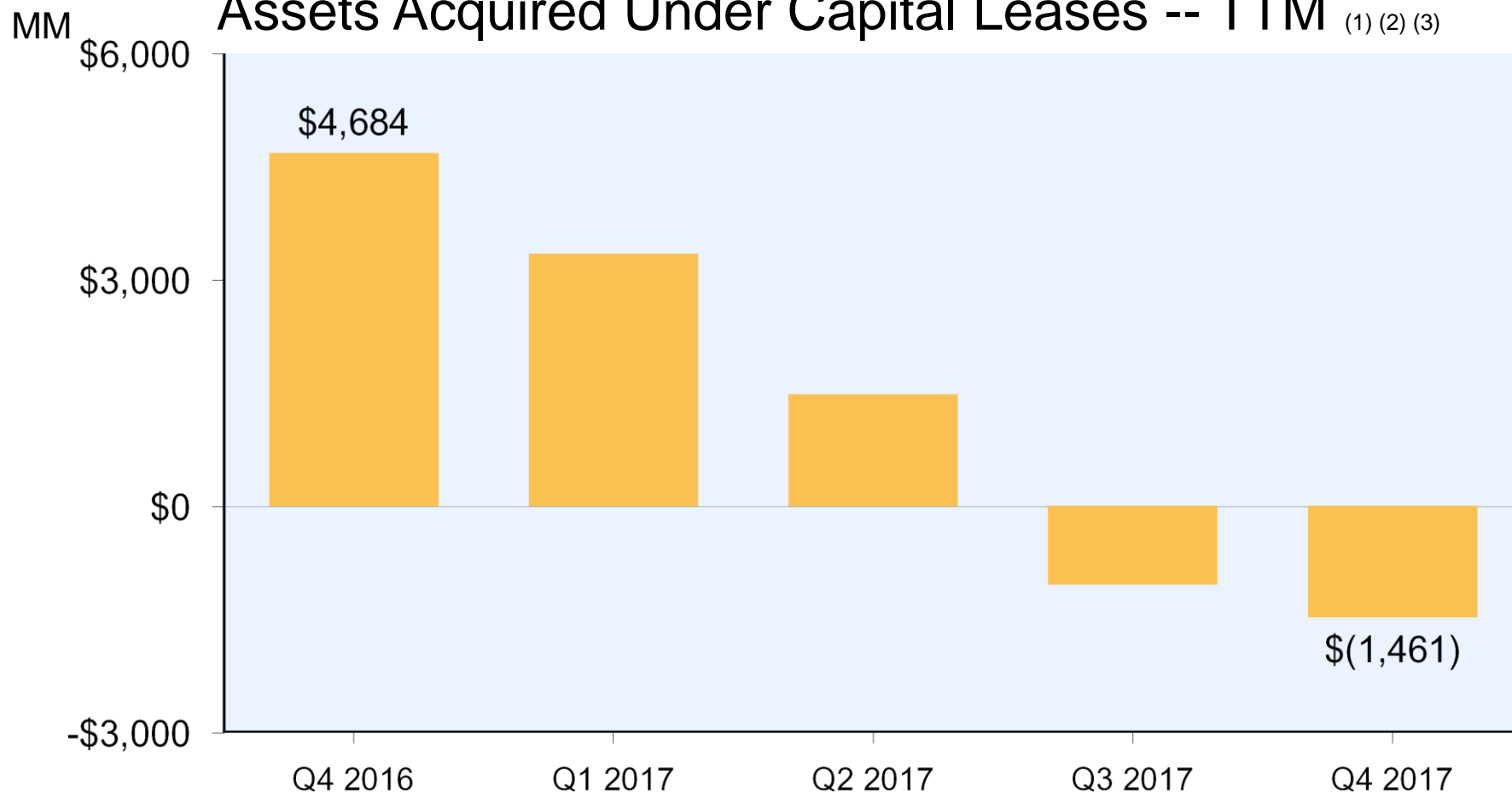
# Free Cash Flow Less Lease Principal Repayments -- TTM <sup>(1) (2)</sup>



## Long-Term Goal – Optimize Free Cash Flows

- (1) Free cash flow less lease principal repayments is free cash flow reduced by “Principal repayments of capital lease obligations,” and “Principal repayments of finance lease obligations,” which are included in cash flow from financing activities. See Appendix for a reconciliation of operating cash flow to free cash flow less lease principal repayments.
- (2) As a result of accounting guidance adopted in Q1 2017, we retrospectively adjusted our consolidated statements of cash flows to reclassify excess tax benefits from financing activities to operating activities. The amount of the adjustment was \$829 million for TTM Q4 2016.
- (3) Operating cash flow grew 7% Y/Y.

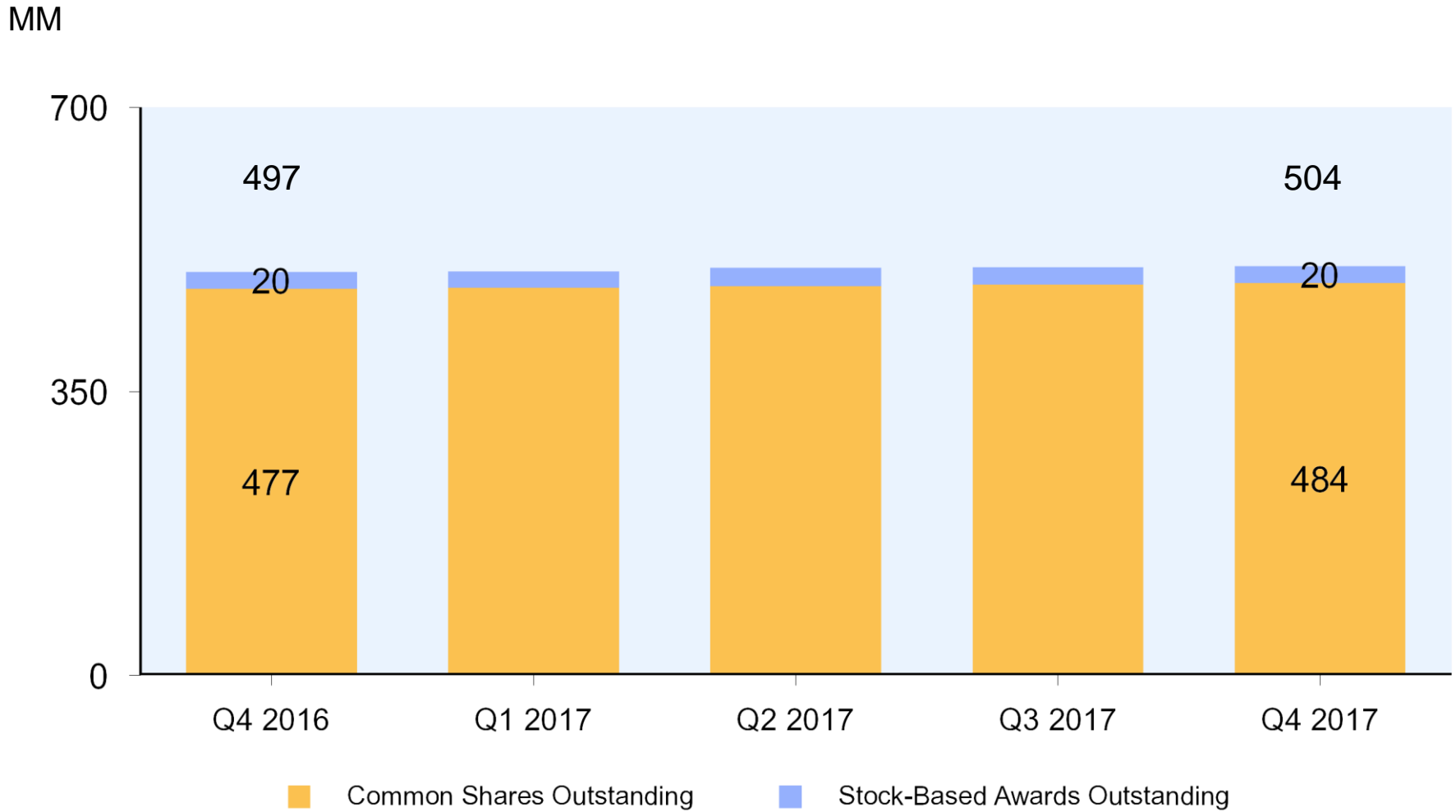
# Free Cash Flow Less Finance Lease Principal Repayments and Assets Acquired Under Capital Leases -- TTM <sup>(1) (2) (3)</sup>



## Long-Term Goal – Optimize Free Cash Flows

- (1) Free cash flow less finance lease principal repayments and assets acquired under capital leases is free cash flow reduced by “Principal repayments of finance lease obligations,” which is included in cash flow from financing activities, and property and equipment acquired under capital leases. In this measure, property and equipment acquired under capital leases is reflected as if these assets had been purchased with cash, which is not the case as these assets have been leased. See Appendix for a reconciliation of operating cash flow to free cash flow less finance lease principal repayments and assets acquired under capital leases.
- (2) As a result of accounting guidance adopted in Q1 2017, we retrospectively adjusted our consolidated statements of cash flows to reclassify excess tax benefits from financing activities to operating activities. The amount of the adjustment was \$829 million for TTM Q4 2016.
- (3) Operating cash flow grew 7% Y/Y.

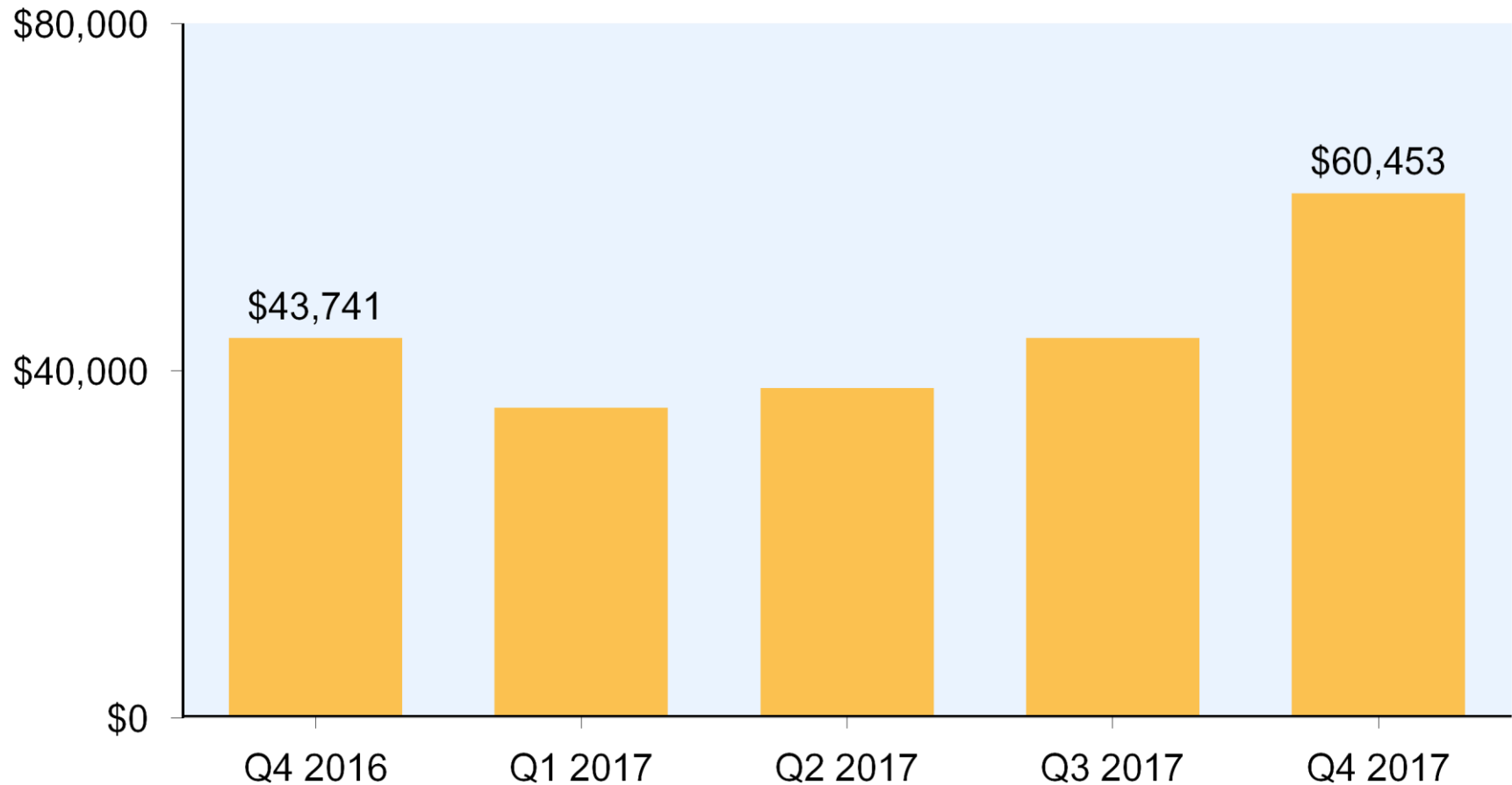
# Shares



Efficiently Managing Dilution

# Net Sales

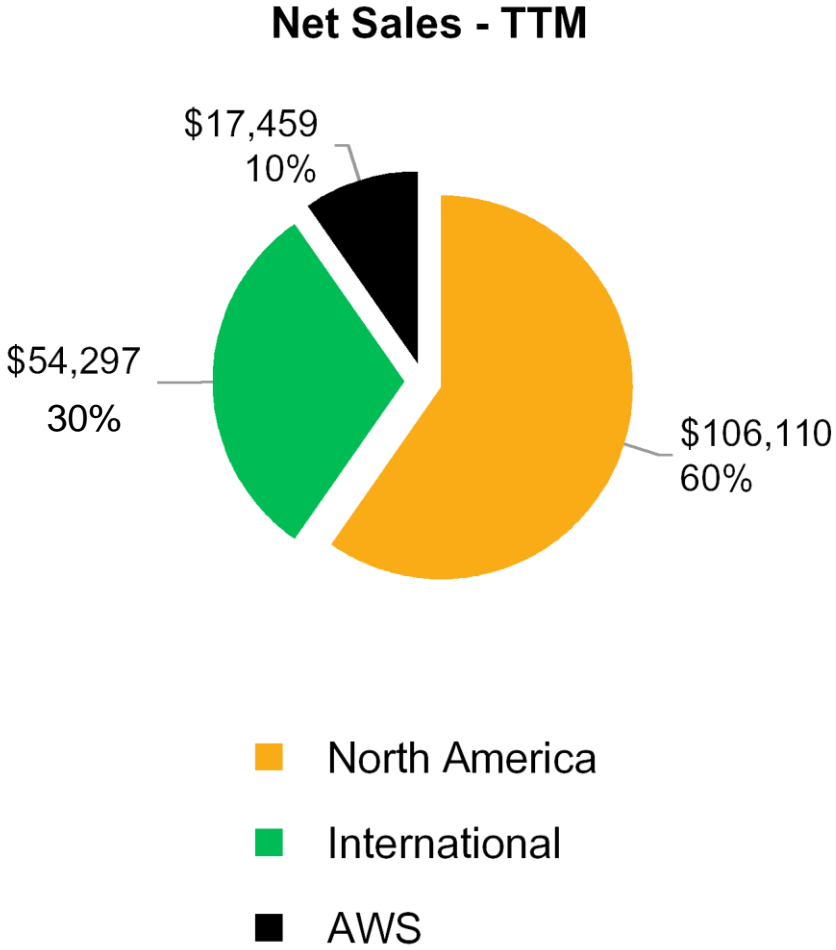
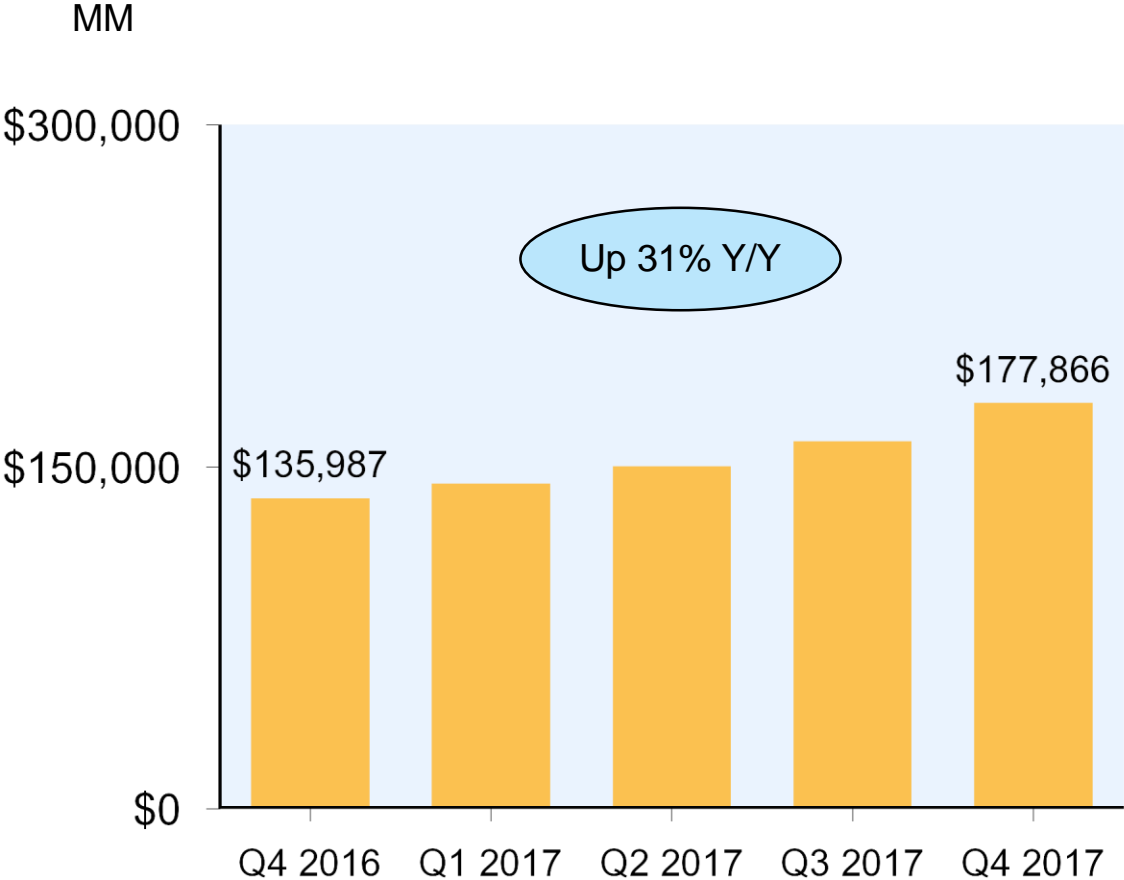
MM



**Up 38% Y/Y, Up 36% F/X Adjusted (1)**

(1) Information regarding the effect of foreign exchange rates, versus the U.S. Dollar, on our net sales and operating income is provided to show reported period operating results had the foreign exchange rates remained the same as those in effect in the comparable prior year periods.

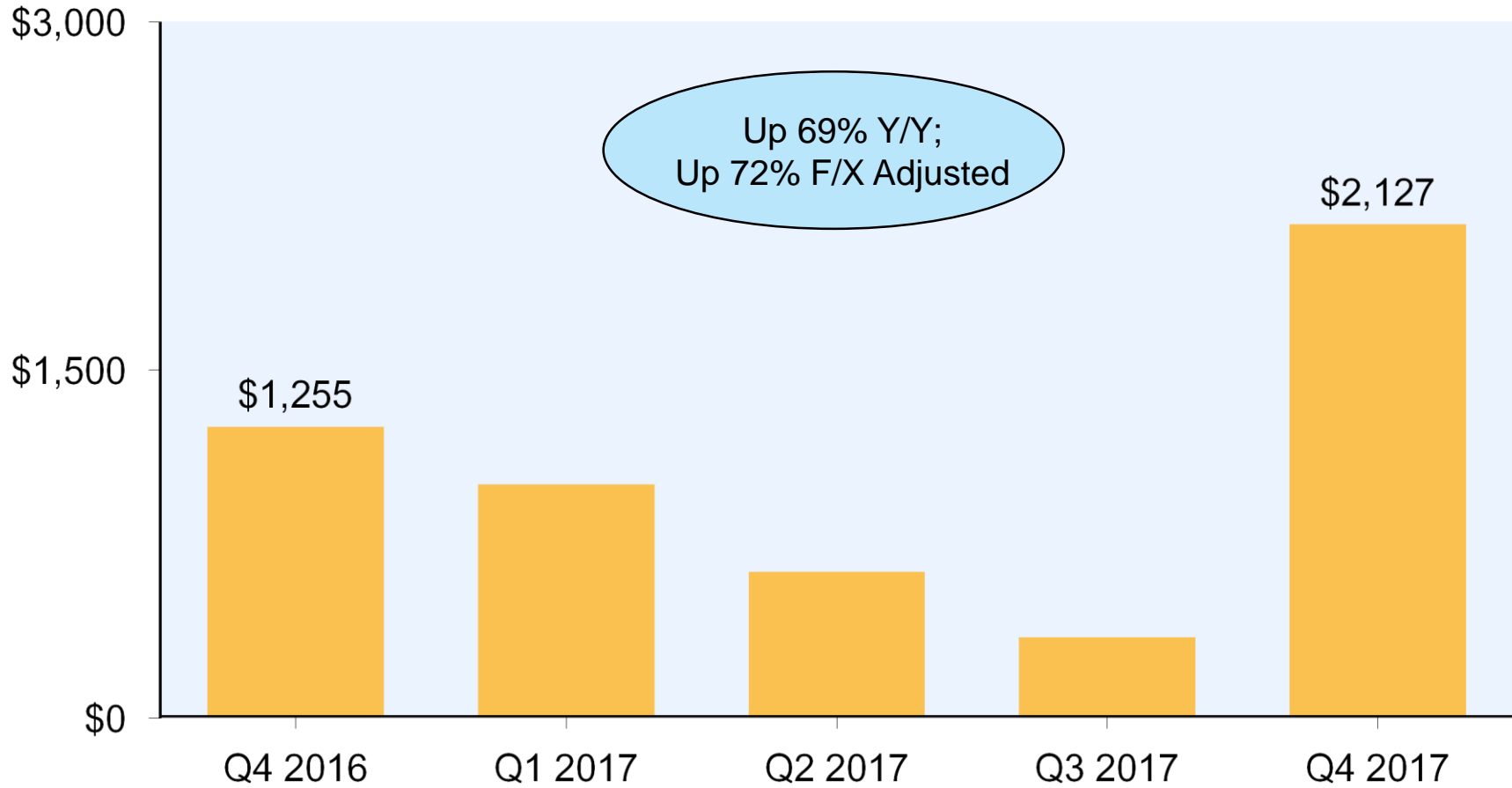
# Net Sales – TTM





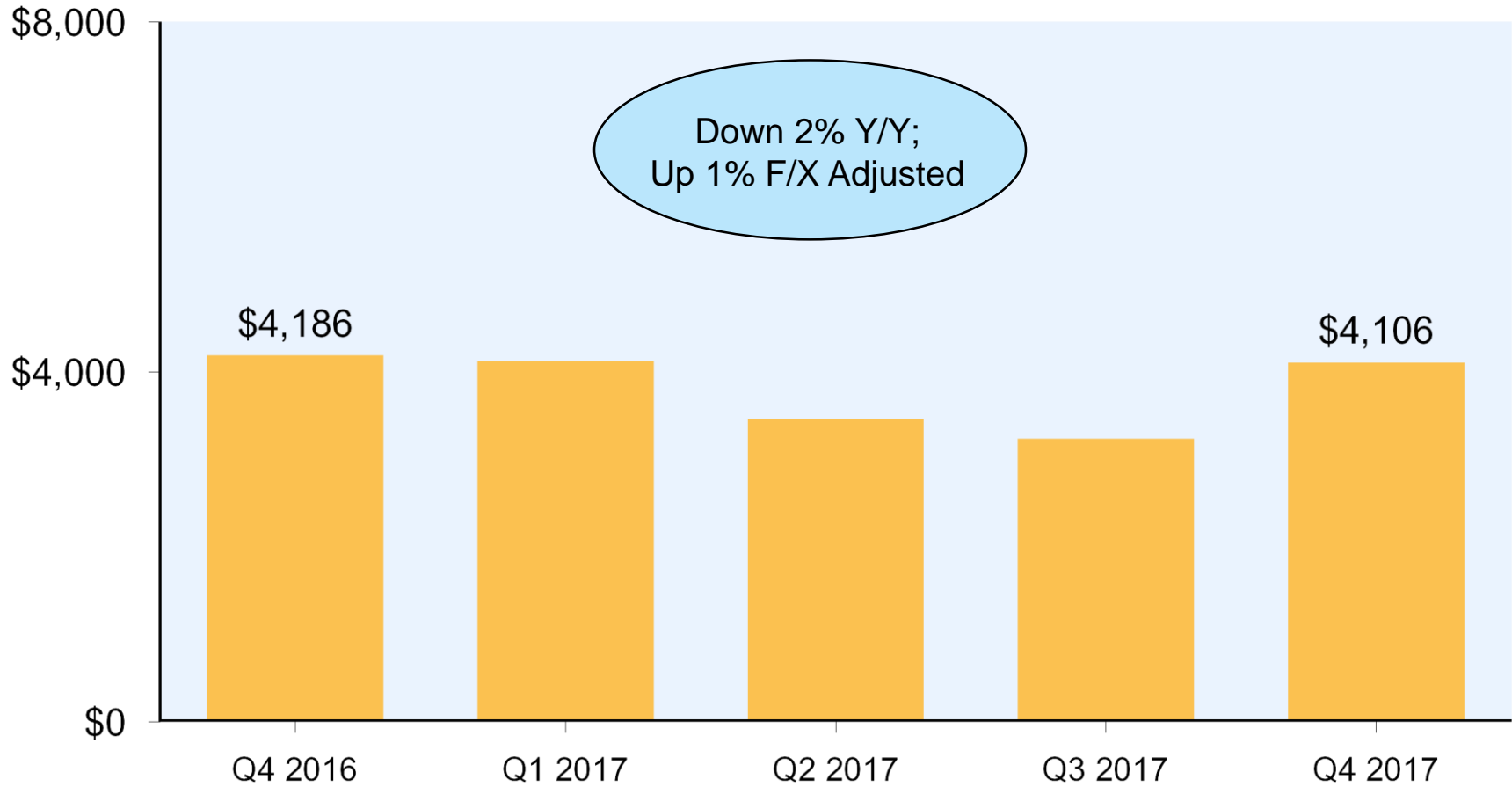
# Operating Income

MM



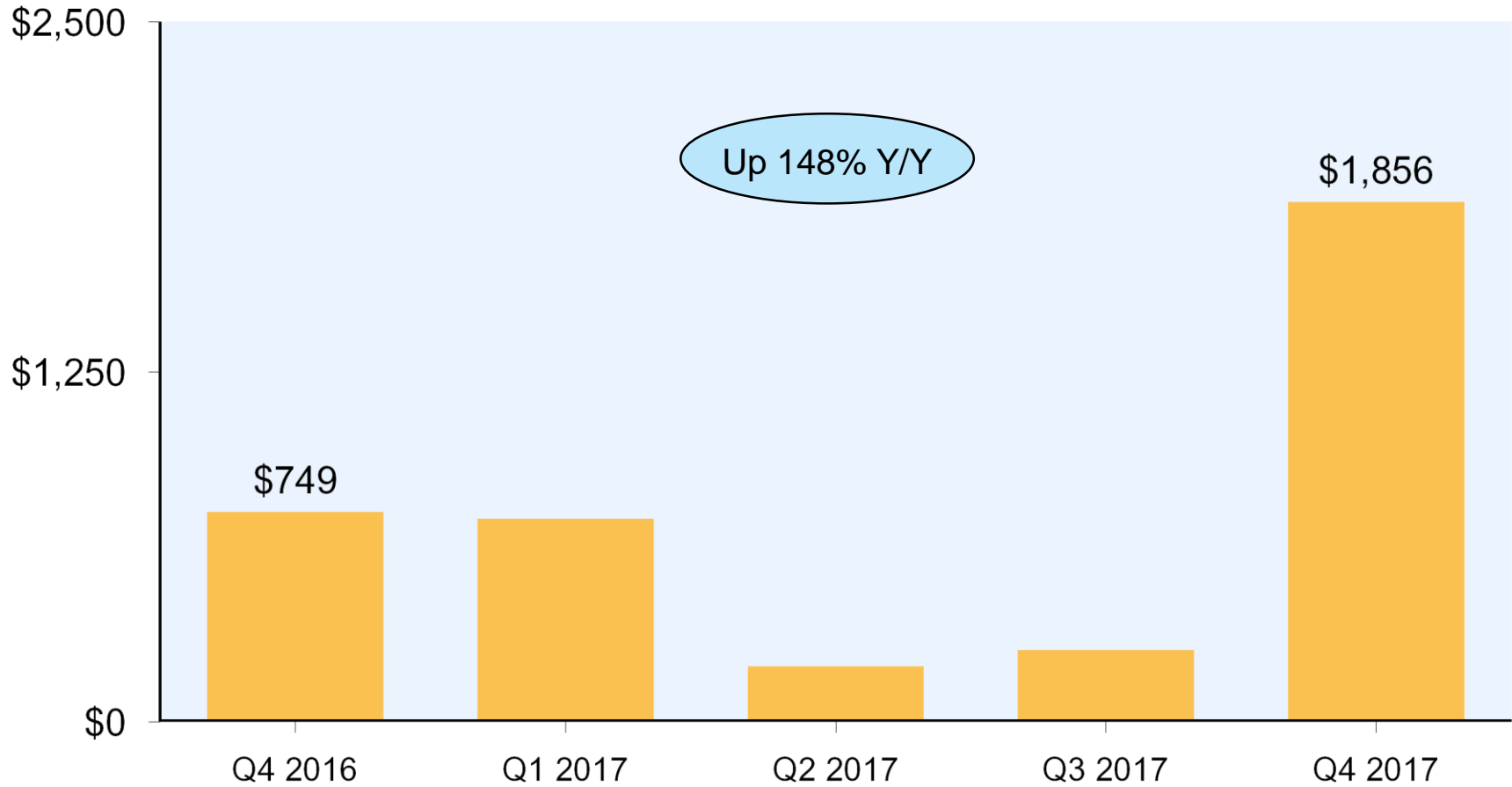
# Operating Income – TTM

MM

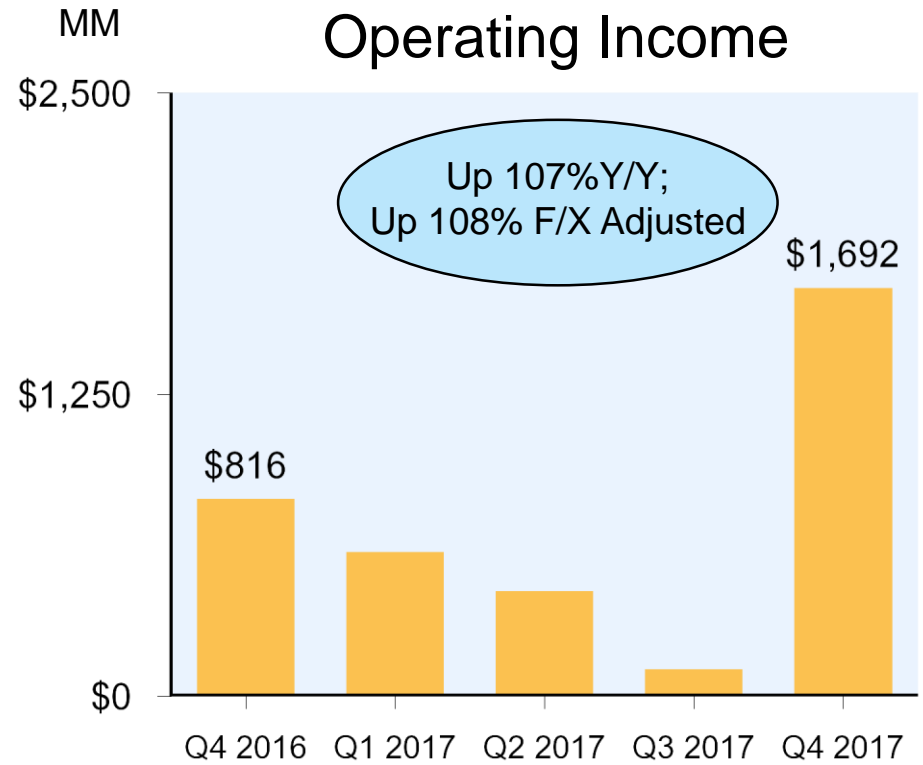
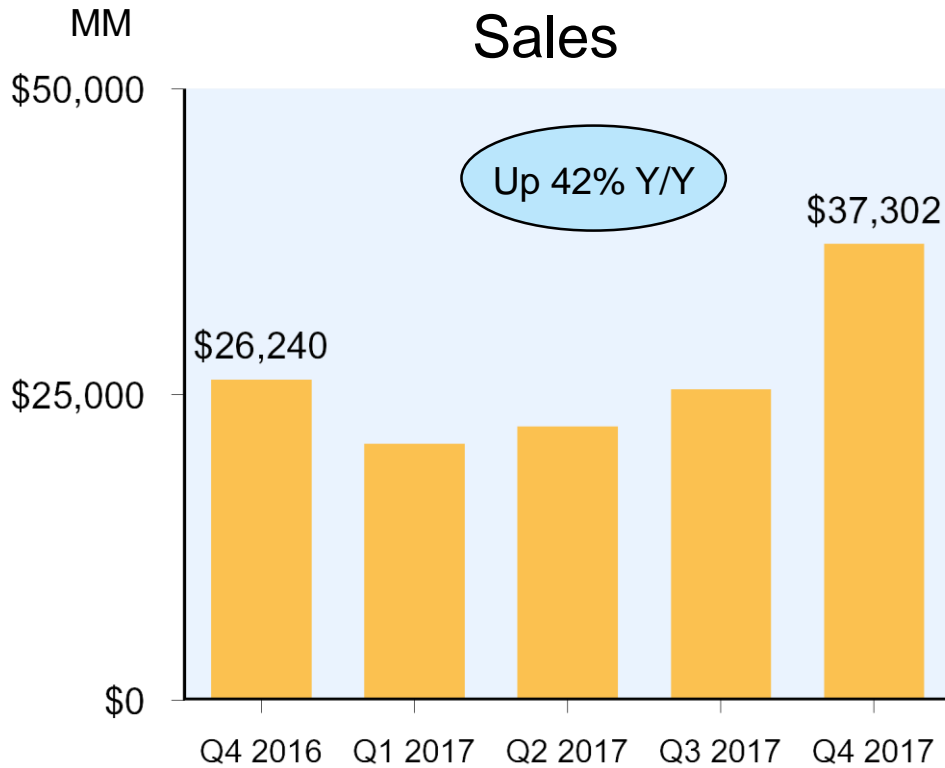


# Net Income

MM

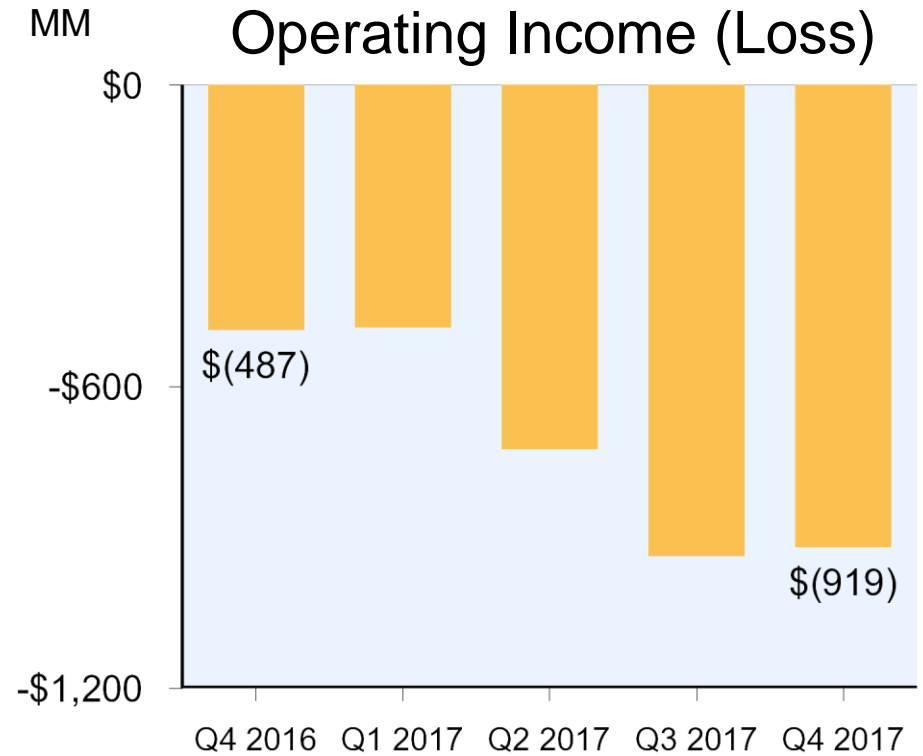
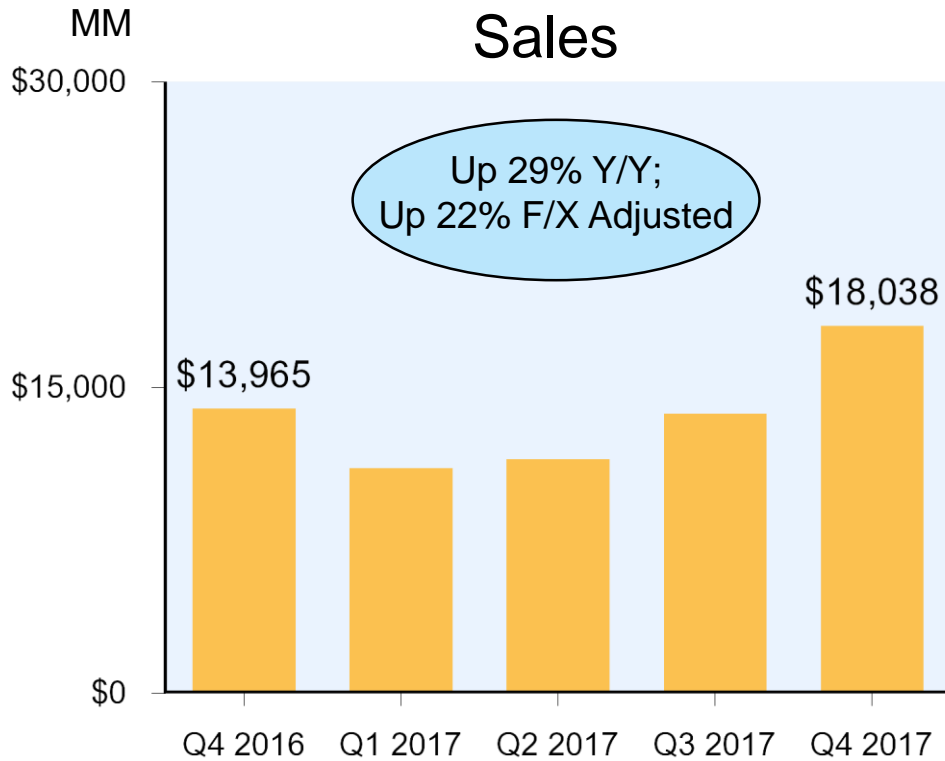


# Segment Results – North America



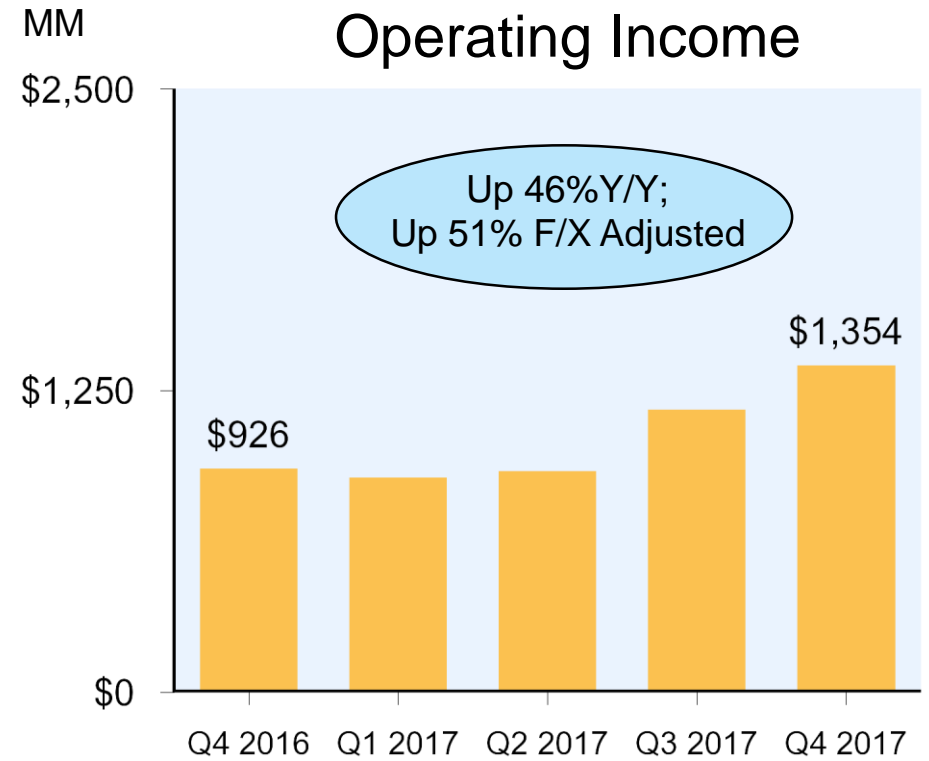
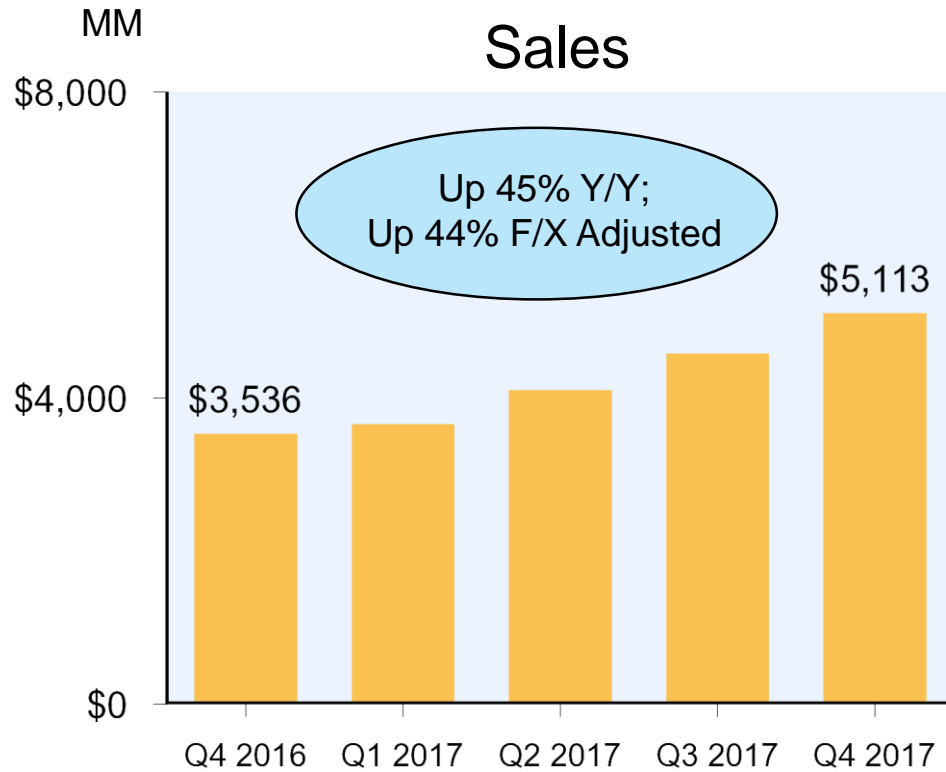
TTM Net Sales \$106.1B

# Segment Results – International



TTM Net Sales \$54.3B

# Segment Results – AWS



TTM Net Sales \$17.5B



## Appendix

# Free Cash Flow Reconciliation – TTM

MM	<u>Q4 2016</u>	<u>Q1 2017</u>	<u>Q2 2017</u>	<u>Q3 2017</u>	<u>Q4 2017</u>
Operating Cash Flow (1)	\$17,272	\$17,634	\$17,885	\$17,077	\$18,434
Purchases of property and equipment, including internal-use software and website development, net of proceeds from property and equipment incentives	<u>(6,737)</u>	<u>(7,417)</u>	<u>(8,207)</u>	<u>(9,027)</u>	<u>(10,058)</u>
Free Cash Flow	<u>\$10,535</u>	<u>\$10,217</u>	<u>\$9,678</u>	<u>\$8,050</u>	<u>\$8,376</u>

(1) As a result of accounting guidance adopted in Q1 2017, we retrospectively adjusted our consolidated statements of cash flows to reclassify excess tax benefits from financing activities to operating activities. The amount of the adjustment was \$829 million for TTM Q4 2016.



# Free Cash Flow Less Lease Principal Repayments Reconciliation – TTM

MM	<u>Q4 2016</u>	<u>Q1 2017</u>	<u>Q2 2017</u>	<u>Q3 2017</u>	<u>Q4 2017</u>
Operating Cash Flow (1)	\$17,272	\$17,634	\$17,885	\$17,077	\$18,434
Purchases of property and equipment, including internal-use software and website development, net of proceeds from property and equipment incentives	(6,737)	(7,417)	(8,207)	(9,027)	(10,058)
Principal repayments of capital lease obligations	(3,860)	(3,891)	(4,003)	(4,331)	(4,799)
Principal repayments of finance lease obligations	(147)	(155)	(170)	(175)	(200)
<b>Free Cash Flow Less Lease Principal Repayments</b>	<u>\$6,528</u>	<u>\$6,171</u>	<u>\$5,505</u>	<u>\$3,544</u>	<u>\$3,377</u>

(1) As a result of accounting guidance adopted in Q1 2017, we retrospectively adjusted our consolidated statements of cash flows to reclassify excess tax benefits from financing activities to operating activities. The amount of the adjustment was \$829 million for TTM Q4 2016.

# Free Cash Flow Less Finance Lease Principal Repayments and Assets Acquired Under Capital Leases Reconciliation – TTM

MM	<u>Q4 2016</u>	<u>Q1 2017</u>	<u>Q2 2017</u>	<u>Q3 2017</u>	<u>Q4 2017</u>
Operating Cash Flow (1)	\$17,272	\$17,634	\$17,885	\$17,077	\$18,434
Purchases of property and equipment, including internal-use software and website development, net of proceeds from property and equipment incentives	(6,737)	(7,417)	(8,207)	(9,027)	(10,058)
Property and equipment acquired under capital leases	(5,704)	(6,717)	(8,019)	(8,905)	(9,637)
Principal repayments of finance lease obligations	<u>(147)</u>	<u>(155)</u>	<u>(170)</u>	<u>(175)</u>	<u>(200)</u>
Free Cash Flow Less Finance Lease Principal Repayments and Assets Acquired Under Capital Leases	<u>\$4,684</u>	<u>\$3,345</u>	<u>\$1,489</u>	<u>\$(1,030)</u>	<u>\$(1,461)</u>

(1) As a result of accounting guidance adopted in Q1 2017, we retrospectively adjusted our consolidated statements of cash flows to reclassify excess tax benefits from financing activities to operating activities. The amount of the adjustment was \$829 million for TTM Q4 2016.