

Tiburon Research Group

Earnings Preview: AMZN April 20, 2010

Huge Top-Line / EPS Upside Helped via Accounting Change. Yet, GPM% Concerns.

Unlike **Apple (AAPL - \$244.59)**, **Amazon (AMZN - \$144.20)** decided to apply Accounting Standard Update (ASU) No. 2009-13, Revenue Recognition – Multiple Deliverable Revenue Arrangements, using the “prospective” method. Therefore, historical financial statements will *not* be adjusted and revenue growth rates versus last year will ‘optically’ appear stronger than reality.

Therefore, let’s call a spade a spade. Much of this year’s EPS upside will be a function of a “revenue boost” versus LY that will generate incremental leverage.

In Q1 2010, we’re expecting a material top-line ‘beat’ along with incremental leverage on line items that are largely fixed or have a fixed cost component (e.g. *Fulfillment, Technology, G&A*), naturally helped in part by the accounting change.

The only concern relates to *GPM%* as 2-year run rates materially toughen in Q1 2010 relative to Q4 2009. It remains to be seen whether the **North American Division** can successfully build upon its anomalous *GPM%* improvement in FY 2009 after 3 straight years of year-over-year declines.

While we see no downside EPS risk in FY 2010, concerns include:

- Was FY 2009 an anomaly? *North American Division* merchandise margins were higher in FY 2009 after 3 disappointing years. Will the longer-term trend continue in FY 2010?
- **Zappos** will become a “profitability drag.” The question is how much? While the division is not material, one thing investors can be certain about is that management won’t tell you the answer.

You can determine via the 10-K that *Zappos* generated a \$39 million Net Loss in FY 2008 on \$635 million revenue. Yet, on the Q2 2009 conference call, AMZN management suggested that the subsidiary generated a “slight profit” during FY 2008 prior to amortization and stock-based compensation.
- *Marketing Expense* has now de-leveraged in 9 straight fiscal quarters as AMZN clearly has been ‘buying’ sales over this timeframe. The question of when sales growth slows is essentially a function of when management decides to ratchet lower its marketing spend (maybe never).

In Q1 2010, we’re forecasting EPS of \$0.77 versus the current consensus sell-side estimate of \$0.61. Our estimate implies \$7.536 billion revenue (+54.2%) and a +77 Bps EBIT margin improvement versus LY. We’re forecasting *Operating Income* of \$441.3 million (guidance range of \$275 million to \$365 million).

In Q2 2010, we’re forecasting EPS of \$0.65 versus the current consensus sell-side estimate of \$0.56. Our estimate implies \$7.008 billion revenue (+50.7%) and a +80 Bps EBIT margin improvement versus LY. We’re forecasting *Operating Income* of \$375.7 million.

In FY 2010, we’re forecasting EPS of \$3.12 versus the current sell-side consensus estimate of \$2.90. Our estimate implies \$34.783 billion revenue (+41.9) and a +27 Bps EBIT margin improvement versus LY.

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Earnings Preview: AMZN

April 20, 2010

AMZN Noteworthy:

- AMZN's *Marketing Expense* has de-leveraged in 9 straight fiscal quarters. AMZN is likely to continue artificially inflating its revenue growth until it decides to shut off the marketing spigot. The company's top-line of late has certainly been impressive, but it has come at a cost.

AMZN Marketing Expense % Revenue

	<u>Q1</u>	<u>Q2</u>	<u>Q3</u>	<u>Q4</u>
FY 2007	Higher 2 Bps	Lower 23 Bps	Lower 51 Bps	Higher 4 Bps
FY 2008	Higher 10 Bps	Higher 26 Bps	Higher 26 Bps	Higher 18 Bps
FY 2009	Higher 13 Bps	Higher 26 Bps	Higher 20 Bps	Higher 36 Bps
3-Year Bps Chng	Higher 25 Bps	Higher 29 Bps	Lower 5 Bps	Higher 58 Bps

Source: SEC filings.

- Prior to Q2 2009, the *North American Division's* profitability had declined versus the prior year in 5 of 6 fiscal quarters.

Prior to Q4 2009, the *International Division's* profitability had improved versus the prior year in 10 of 11 fiscal quarters.

Both divisions face more difficult 2-year EBIT margin comparisons in Q1 2010. Profitability improvement is likely to struggle in Q1 2010 versus Q4 2009.

AMZN North America Division EBIT Margin

	<u>Q1</u>	<u>Q2</u>	<u>Q3</u>	<u>Q4</u>
FY 2007	Higher 33 Bps	Higher 123 Bps	Higher 267 Bps	Lower 52 Bps
FY 2008	Higher 81 Bps	Lower 69 Bps	Lower 60 Bps	Lower 138 Bps
FY 2009	Lower 30 Bps	Higher 67 Bps	Higher 166 Bps	Higher 203 Bps
3-Year Bps Chng	Higher 84 Bps	Higher 121 Bps	Higher 373 Bps	Higher 13 Bps

Source: SEC filings.

AMZN International Division EBIT Margin

	<u>Q1</u>	<u>Q2</u>	<u>Q3</u>	<u>Q4</u>
FY 2007	Higher 106 Bps	Higher 86 Bps	Higher 189 Bps	Higher 74 Bps
FY 2008	Lower 30 Bps	Higher 140 Bps	Higher 64 Bps	Higher 69 Bps
FY 2009	Higher 107 Bps	Higher 27 Bps	Higher 16 Bps	Lower 46 Bps
3-Year Bps Chng	Higher 183 Bps	Higher 253 Bps	Higher 269 Bps	Higher 97 Bps

Source: SEC filings.

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Earnings Preview: AMZN April 20, 2010

AMZN Noteworthy (con't):

- Will *Zappos.com* be a bottom-line driver when the acquisition is completed? Not according to the company's comments on the Q2 2009 conference call:

"They had approximately \$635 million worth of revenue last year. They had a small profit. And that would certainly be before any of the acquisition costs, which include intangible amortization as well as stock-based compensation, which would be post-acquisition."

On the Q3 2009 conference call, management suggested the following:

"Our guidance excludes the impact of Zappos, including approximately \$35 million of expenses related primarily to employee compensation costs, amortization of intangibles, and merger-related expenses that would be recognized in the fourth quarter 2009, if the transaction closes as planned."

- Prior to Q2 2009, shipping had been a consistent year-over-year drag on *GPM%* (i.e. the spread between reported *GPM%* and *ex-Shipping GPM%* consistently widened. In Q2 2009, this spread improved to -430 Bps versus -444 Bps in the prior year (+14 Bps net impact on *GPM%*).

While still a drag on overall profitability, shipping no longer appears to be a material profitability drag on a year-over-year basis.

See attached *Balance Sheet/Other Disclosures* scorecard.

AMZN Impact of Shipping on *GPM%*

	<u>Q1 2008</u>	<u>Q2 2008</u>	<u>Q3 2008</u>	<u>Q4 2008</u>	<u>Q1 2009</u>	<u>Q2 2009</u>	<u>Q3 2009</u>	<u>Q4 2009</u>
Reported <i>GPM%</i>	23.12%	23.80%	23.43%	20.11%	23.48%	24.36%	23.36%	20.76%
Ex-Shipping <i>GPM%</i>	<u>27.49%</u>	<u>28.24%</u>	<u>27.77%</u>	<u>24.70%</u>	<u>28.01%</u>	<u>28.66%</u>	<u>27.72%</u>	<u>25.40%</u>
Differential	-437 Bps	-444 Bps	-434 Bps	-459 Bps	-452 Bps	-430 Bps	-436 Bps	-464 Bps
Diff vs. LY					-15 Bps	+14 Bps	-2 Bps	-5 Bps

Source: SEC filings.

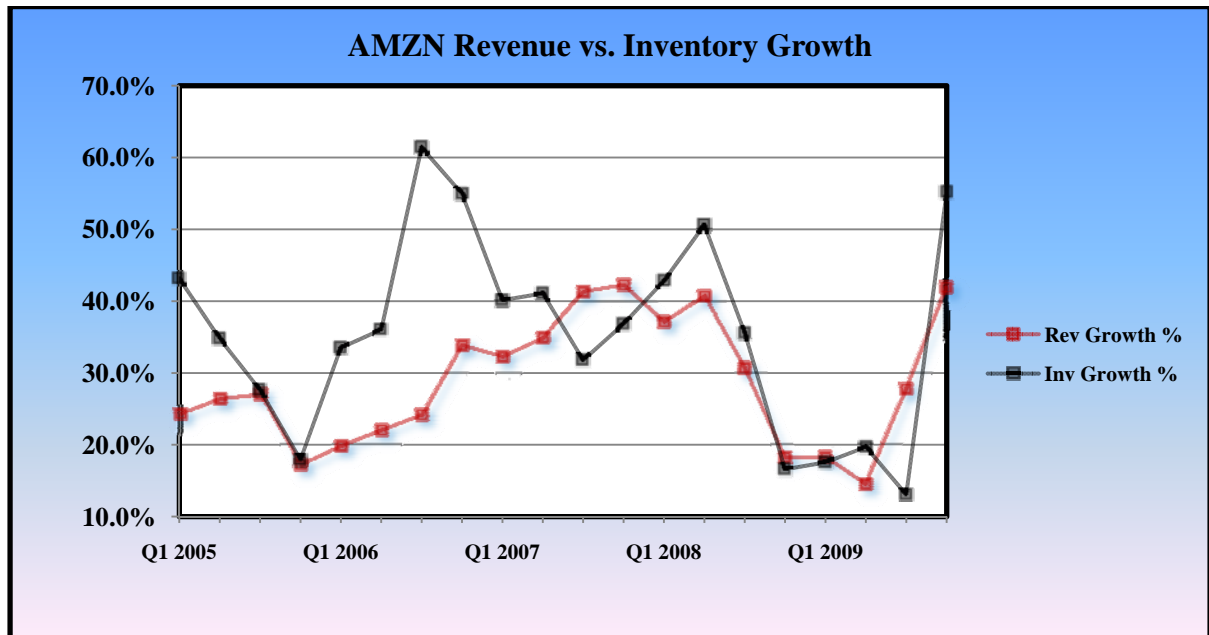
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AMZN Noteworthy (con't):

- AMZN's inventory growth eclipsed revenue growth for at least 5 straight fiscal Q2's (see chart below).

Why the inventory spike at the end of Q4 2009?



	2004	2005	2006	2007	Q1 2008	Q2 2008	Q3 2008	Q4 2008	2008	Q1 2009	Q2 2009	Q3 2009	Q4 2009	2009	Q1 2010E	Q2 2010E	Q3 2010E	Q4 2010E	2010E
	31-Dec-04	31-Dec-05	31-Dec-06	31-Dec-07	31-Mar-08	30-Jun-08	30-Sep-08	31-Dec-08		31-Mar-09	30-Jun-09	30-Sep-09	31-Dec-09						
Income Statement:																			
Media Sales - North Amer	2,589,000	3,046,000	3,582,000	4,630,000	1,205,000	1,148,000	1,245,000	1,751,000	5,350,000	1,305,000	1,148,000	1,412,000	2,099,000	5,964,000	1,592,100	1,423,520	1,609,680	2,350,880	6,976,180
Electronics/Other - North Amer	1,128,000	1,443,000	2,024,000	3,139,000	826,000	920,000	950,000	1,733,000	4,430,000	1,172,000	1,187,000	1,293,000	2,662,000	6,314,000	2,051,000	1,958,550	2,004,150	3,859,900	9,873,600
Other Revenue - North Amer	130,000	222,000	263,000	326,000	95,000	100,000	107,000	147,000	448,000	101,000	116,000	138,000	195,000	550,000	151,500	162,400	186,300	253,500	753,700
Media Sales - International	2,513,000	2,885,000	3,485,000	4,612,000	1,338,000	1,248,000	1,889,000	5,734,000	14,188,000	4,148,000	4,194,000	5,157,000	2,580,000	6,810,000	2,098,640	1,889,240	2,032,780	3,096,000	9,116,660
Electronics/Other - Intl	559,000	886,000	1,337,000	2,071,000	655,000	611,000	690,000	1,156,000	3,110,000	874,000	882,000	1,064,000	1,947,000	4,768,000	1,616,900	1,543,500	1,755,600	3,017,850	7,933,850
Other Revenue - International	2,000	8,000	20,000	57,000	16,000	26,000	23,000	28,000	94,000	19,000	24,000	25,000	36,000	103,000	26,600	31,200	30,000	41,400	129,200
Total Revenue	6,921,000	8,490,000	10,711,000	14,835,000	4,135,000	4,063,000	4,264,000	6,704,000	19,166,000	4,889,000	4,651,000	5,449,000	9,519,000	24,509,000	7,536,740	7,008,410	7,618,510	12,619,530	34,783,190
Cost of Sales - North America	(2,823,000)	(3,444,000)	(4,344,000)	(6,064,000)	(1,557,000)	(1,609,000)	(1,716,000)	(2,850,000)	(7,733,000)	(1,884,000)	(1,779,000)	(2,091,000)	(3,786,000)	(9,538,000)	(2,776,885)	(2,581,530)	(2,813,961)	(4,986,691)	(13,159,067)
Cost of Sales - International	(2,496,000)	(3,007,000)	(3,911,000)	(5,418,000)	(1,622,000)	(1,487,000)	(1,549,000)	(2,506,000)	(7,163,000)	(1,857,000)	(1,739,000)	(2,085,000)	(3,757,000)	(9,440,000)	(3,010,732)	(2,750,211)	(3,051,179)	(5,074,153)	(13,886,275)
Non-Recurring Items	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Gross Profit	1,602,000	2,039,000	2,456,000	3,353,000	956,000	967,000	999,000	1,348,000	4,270,000	1,148,000	1,133,000	1,273,000	1,976,000	5,531,000	1,749,123	1,676,669	1,753,370	2,558,686	7,737,848
Fulfillment Exp	(601,000)	(745,000)	(937,000)	(1,292,000)	(354,000)	(361,000)	(393,000)	(549,000)	(1,658,000)	(422,000)	(409,000)	(466,000)	(755,000)	(2,052,000)	(629,443)	(595,856)	(642,217)	(993,369)	(2,860,885)
Marketing Exp	(162,000)	(198,000)	(263,000)	(344,000)	(103,000)	(102,000)	(108,000)	(169,000)	(482,000)	(128,000)	(129,000)	(149,000)	(274,000)	(680,000)	(220,361)	(212,445)	(226,204)	(390,647)	(1,049,658)
Technology/Content Exp	(283,000)	(451,000)	(662,000)	(818,000)	(234,000)	(258,000)	(264,000)	(278,000)	(1,033,000)	(275,000)	(299,000)	(315,000)	(350,000)	(1,240,000)	(363,000)	(388,700)	(403,200)	(441,000)	(1,595,900)
Gen & Admin Exp	(124,000)	(166,000)	(195,000)	(235,000)	(61,000)	(74,000)	(73,000)	(72,000)	(279,000)	(68,000)	(77,000)	(83,000)	(100,000)	(328,000)	(85,000)	(93,940)	(97,940)	(114,000)	(390,880)
Other Operating Exp	8,000	(27,000)	(10,000)	(9,000)	(6,000)	(8,000)	(7,000)	(8,000)	(29,000)	(11,000)	(9,000)	(9,000)	(51,000)	(10,000)	(10,000)	(10,000)	(10,000)	(10,000)	(40,000)
Non-Recurring Items	0	(20,000)	0	0	0	53,000	0	0	53,000	0	(51,000)	0	0	(51,000)	0	0	0	0	0
Operating Income	440,000	432,000	389,000	655,000	198,000	217,000	154,000	272,000	842,000	244,000	159,000	251,000	476,000	1,129,000	441,319	375,728	373,809	609,670	1,800,526
Interest Income/(Expense)	(79,000)	(48,000)	(19,000)	13,000	4,000	(1,000)	4,000	4,000	12,000	0	1,000	0	1,000	3,000	1,000	1,000	1,000	1,000	4,000
Other Income (Expense)	(5,000)	2,000	(4,000)	(1,000)	3,000	(8,000)	24,000	26,000	45,000	4,000	19,000	11,000	(6,000)	29,000	8,000	8,000	8,000	8,000	32,000
Remeasurements/Other	(1,000)	42,000	11,000	(7,000)	2,000	0	0	0	2,000	0	0	0	0	0	0	0	0	0	0
Income Before Tax	355,000	428,000	377,000	660,000	207,000	208,000	182,000	302,000	901,000	248,000	179,000	262,000	471,000	1,161,000	450,319	384,728	382,809	618,670	1,836,526
Income Tax Expense	233,000	(95,000)	(187,000)	(184,000)	(62,000)	(46,000)	(59,000)	(79,000)	(247,000)	(69,000)	(39,000)	(60,000)	(85,000)	(253,000)	(99,070)	(84,640)	(84,218)	(136,107)	(404,036)
Equity Investment, Net	0	0	0	0	(2,000)	(4,000)	(5,000)	2,000	(9,000)	(2,000)	2,000	(3,000)	(2,000)	(6,000)	(2,000)	(3,000)	(3,000)	2,000	(6,000)
Effect Chng Acct Principle	0	26,000	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Net Income	588,000	359,000	190,000	476,000	143,000	158,000	118,000	225,000	645,000	177,000	142,000	199,000	384,000	902,000	349,249	297,088	295,591	484,562	1,426,490
Net Income per share - Dil	1.38	0.84	0.45	1.12	0.34	0.37	0.27	0.52	1.49	0.41	0.32	0.45	0.85	2.04	0.77	0.65	0.65	1.05	3.12
Weighted shares - Basic	406,000	412,000	416,000	413,000	417,000	420,000	427,000	428,000	423,000	429,000	431,000	432,000	440,000	433,000	444,000	446,000	448,000	450,000	447,000
Weighted shares - Diluted	425,000	426,000	424,000	424,000	426,000	430,000	436,000	436,000	432,000	437,000	440,000	441,000	450,000	442,000	454,000	456,000	458,000	460,000	457,000
Profitability Metrics:																			
Gross Profit Margin - North Am	26.62%	26.89%	25.98%	25.09%	26.76%	25.78%	25.46%	21.51%	24.39%	26.92%	27.42%	26.45%	23.61%	25.65%	26.82%	27.17%	25.95%	22.86%	25.25%
Gross Profit Margin - Intl	18.80%	20.43%	19.23%	19.61%	19.26%	21.53%	21.05%	18.45%	19.86%	19.65%	20.95%	19.99%	17.66%	19.19%	19.55%	20.60%	20.09%	17.56%	19.17%
Gross Profit Margin	23.15%	24.02%	22.93%	22.60%	23.12%	23.80%	23.43%	20.11%	22.28%	23.48%	24.36%	23.36%	20.76%	22.57%	23.21%	23.92%	23.01%	20.28%	22.25%
Fulfillment Exp Ratio	-8.68%	-8.78%	-8.75%	-8.71%	-8.56%	-8.89%	-9.22%	-8.65%	-8.37%	-8.63%	-8.59%	-8.55%	-7.93%	-8.27%	-8.35%	-8.50%	-8.43%	-8.87%	-8.22%
Marketing Exp Ratio	-2.34%	-2.33%	-2.46%	-2.32%	-2.49%	-2.51%	-2.53%	-2.52%	-2.51%	-2.62%	-2.77%	-2.73%	-2.88%	-2.77%	-2.92%	-3.03%	-2.97%	-3.10%	-3.02%
Technology Exp Ratio	-4.09%	-5.31%	-6.18%	-5.51%	-5.66%	-6.35%	-6.19%	-5.39%	-5.62%	-5.62%	-6.43%	-5.78%	-6.88%	-5.06%	-4.82%	-5.55%	-5.29%	-3.49%	-4.59%
G&A Exp Ratio	-1.79%	-1.96%	-1.82%	-1.58%	-1.48%	-1.82%	-1.71%	-1.07%	-1.46%	-1.39%	-1.66%	-1.52%	-1.05%	-1.34%	-1.13%	-1.34%	-1.29%	-0.90%	-1.12%
Operating Margin (ex-Items)	6.24%	5.64%	3.73%	4.48%	4.93%	4.23%	3.78%	4.18%	4.27%	5.22%	4.71%	4.77%	5.22%	5.02%	5.99%	5.50%	5.04%	4.91%	5.29%
Depreciation Expense	76,000	121,000	205,000	246,000	65,000	70,000	76,000	77,000	287,000	87,000	84,000	96,000	112,000	378,000	114,000	115,000	116,000	117,000	462,000
EBITDA (ex-Items)	508,000	600,000	604,000	910,000	269,000	242,000	237,000	357,000	1,105,000	342,000	303,000	356,000	609,000	1,609,000	565,319	500,728	499,809	736,670	2,302,526
Sales Metrics:																			
Total Revenue Growth %	31.5%	22.7%	26.2%	38.5%	37.1%	40.8%	30.7%	18.2%	29.2%	18.2%	14.5%	27.8%	42.0%	27.9%	54.2%	50.7%	39.8%	32.6%	41.9%
Total North Amer Revenue Growth %	18.1%	22.5%	24.6%	37.9%	31.1%	35.4%	28.7%	17.7%	26.3%	21.3%	13.1%	23.5%	36.5%	25.4%	47.2%	44.6%	33.7%	30.4%	37.2%
Total Intl Revenue Growth %	53.3%	22.9%	28.1%	39.2%	44.2%	47.5%	33.1%	18.7%	32.6%	15.0%	16.1%	32.8%	48.5%	30.7%	61.9%	57.5%	46.5%	34.9%	47.1%
Balance Sheet Highlights:																			
Cash & Marketable Securities	1,779,000	2,000,000	2,019,000	3,112,000	2,151,000	2,380,000	2,324,000	3,727,000	3,727,000	2,730,000	3,212,000	4,001,000	6,366,000	6,366,000					
Inventory	480,000	566,000	877,000	1,200,000	1,077,000	1,107,000	1,315,000	1,399,000	1,399,000	1,266,000	1,325,000	1,487,000	2,171,000	2,171,000					
Inventory % Fwd Qtr CGS					34.8%	33.9%	24.6%	37.4%		36.0%	31.7%	19.7%							
Capital Expenditures	160,000	228,000	248,000	299,000	416,000	114,000	110,000	188,000	827,000	70,000	97,000	108,000	136,000	413,000					
Total Debt	1,622,000	1,480,000	1,247,000	1,282,000	1,373,000	1,247,000	435,000	468,000	468,000	74,000	109,000	116,000	109,000	109,000	100,000	100,000	100,000	100,000	100,000
Total Debt % Total Inv Capital		86%	74%	52%	48%	28%	15%	15%	15%	2%	3%	3%	2%	2%	2%	2%	1%	1%	1%

Amazon (AMZN) 3-Year Profitability Run Rates

	FY 2007 vs. LY	FY 2008 vs. LY	Combined 2-Year	FY 2009 vs. LY	Combined 3-Year
Gross Profit Margin %					
Q1	Lower 15 Bps +	Lower 73 Bps =	Lower 88 Bps +	Higher 36 Bps =	Lower 52 Bps
Q2	Higher 49 Bps +	Lower 49 Bps =	Flat +	Higher 56 Bps =	Higher 56 Bps
Q3	Lower 44 Bps +	Higher 7 Bps =	Lower 37 Bps +	Lower 7 Bps =	Lower 44 Bps
Q4	Lower 73 Bps +	Lower 51 Bps =	Lower 124 Bps +	Higher 65 Bps =	Lower 59 Bps
Fulfillment Expense %					
Q1	Higher 15 Bps +	Lower 6 Bps =	Higher 9 Bps +	Higher 7 Bps =	Higher 16 Bps
Q2	Higher 10 Bps +	Lower 5 Bps =	Higher 5 Bps +	Lower 10 Bps =	Lower 5 Bps
Q3	Lower 34 Bps +	Higher 15 Bps =	Lower 19 Bps +	Lower 67 Bps =	Lower 86 Bps
Q4	Lower 5 Bps +	Lower 24 Bps =	Lower 29 Bps +	Lower 26 Bps =	Lower 55 Bps
Marketing Expense %					
Q1	Higher 2 Bps +	Higher 10 Bps =	Higher 12 Bps +	Higher 13 Bps =	Higher 25 Bps
Q2	Lower 23 Bps +	Higher 26 Bps =	Higher 3 Bps +	Higher 26 Bps =	Higher 29 Bps
Q3	Lower 50 Bps +	Higher 26 Bps =	Lower 24 Bps +	Higher 20 Bps =	Lower 4 Bps
Q4	Higher 3 Bps +	Higher 18 Bps =	Higher 21 Bps +	Higher 36 Bps =	Higher 57 Bps
Technology Expense %					
Q1	Lower 24 Bps +	Lower 51 Bps =	Lower 75 Bps +	Lower 4 Bps =	Lower 79 Bps
Q2	Lower 85 Bps +	Lower 61 Bps =	Lower 146 Bps +	Higher 8 Bps =	Lower 138 Bps
Q3	Lower 105 Bps +	Lower 22 Bps =	Lower 127 Bps +	Lower 41 Bps =	Lower 168 Bps
Q4	Lower 54 Bps +	Higher 25 Bps =	Lower 29 Bps +	Lower 47 Bps =	Lower 76 Bps
G&A Expense %					
Q1	Lower 11 Bps +	Lower 38 Bps =	Lower 49 Bps +	Lower 9 Bps =	Lower 58 Bps
Q2	Lower 33 Bps +	Lower 19 Bps =	Lower 52 Bps +	Lower 16 Bps =	Lower 68 Bps
Q3	Lower 59 Bps +	Lower 4 Bps =	Lower 63 Bps +	Lower 19 Bps =	Lower 82 Bps
Q4	Lower 2 Bps +	Lower 6 Bps =	Lower 8 Bps +	Lower 2 Bps =	Lower 10 Bps
Operating Margin % (ex-Items)					
Q1	Higher 3 Bps +	Higher 12 Bps =	Higher 15 Bps +	Higher 29 Bps =	Higher 44 Bps
Q2	Higher 178 Bps +	Higher 11 Bps =	Higher 189 Bps +	Higher 48 Bps =	Higher 237 Bps
Q3	Higher 204 Bps +	Lower 8 Bps =	Higher 196 Bps +	Higher 99 Bps =	Higher 295 Bps
Q4	Lower 16 Bps +	Lower 65 Bps =	Lower 81 Bps +	Higher 104 Bps =	Higher 23 Bps

	FY 2008 vs. LY	FY 2009 vs. LY	Combined 2-Year	FY 2010 vs. LY	Combined 3-Year
Gross Profit Margin %					
Q1	Lower 73 Bps +	Higher 36 Bps =	Lower 37 Bps +		=
Q2	Lower 49 Bps +	Higher 56 Bps =	Higher 7 Bps +		=
Q3	Higher 7 Bps +	Lower 7 Bps =	Flat +		=
Q4	Lower 51 Bps +	Higher 65 Bps =	Higher 14 Bps +		=
Fulfillment Expense %					
Q1	Lower 6 Bps +	Higher 7 Bps =	Higher 1 Bps +		=
Q2	Lower 5 Bps +	Lower 10 Bps =	Lower 15 Bps +		=
Q3	Higher 15 Bps +	Lower 67 Bps =	Lower 52 Bps +		=
Q4	Lower 24 Bps +	Lower 26 Bps =	Lower 50 Bps +		=
Marketing Expense %					
Q1	Higher 10 Bps +	Higher 13 Bps =	Higher 23 Bps +		=
Q2	Higher 26 Bps +	Higher 26 Bps =	Higher 52 Bps +		=
Q3	Higher 26 Bps +	Higher 20 Bps =	Higher 46 Bps +		=
Q4	Higher 18 Bps +	Higher 36 Bps =	Higher 54 Bps +		=
Technology Expense %					
Q1	Lower 51 Bps +	Lower 4 Bps =	Lower 55 Bps +		=
Q2	Lower 61 Bps +	Higher 8 Bps =	Lower 53 Bps +		=
Q3	Lower 22 Bps +	Lower 41 Bps =	Lower 63 Bps +		=
Q4	Higher 25 Bps +	Lower 47 Bps =	Lower 22 Bps +		=
G&A Expense %					
Q1	Lower 38 Bps +	Lower 9 Bps =	Lower 47 Bps +		=
Q2	Lower 19 Bps +	Lower 16 Bps =	Lower 35 Bps +		=
Q3	Lower 4 Bps +	Lower 19 Bps =	Lower 23 Bps +		=
Q4	Lower 6 Bps +	Lower 2 Bps =	Lower 8 Bps +		=
Operating Margin % (ex-Items)					
Q1	Higher 12 Bps +	Higher 29 Bps =	Higher 41 Bps +		=
Q2	Higher 11 Bps +	Higher 48 Bps =	Higher 59 Bps +		=
Q3	Lower 8 Bps +	Higher 99 Bps =	Higher 91 Bps +		=
Q4	Lower 65 Bps +	Higher 104 Bps =	Higher 39 Bps +		=

*Gross Margin / Sales & Marketing Ratio / Technology Ratio / G&A Ratio / Operating Margin each are adjusted for non-recurring items.

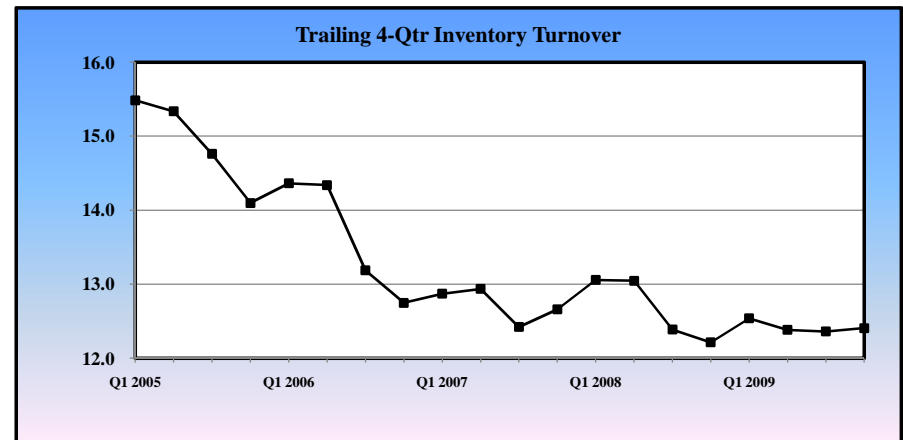
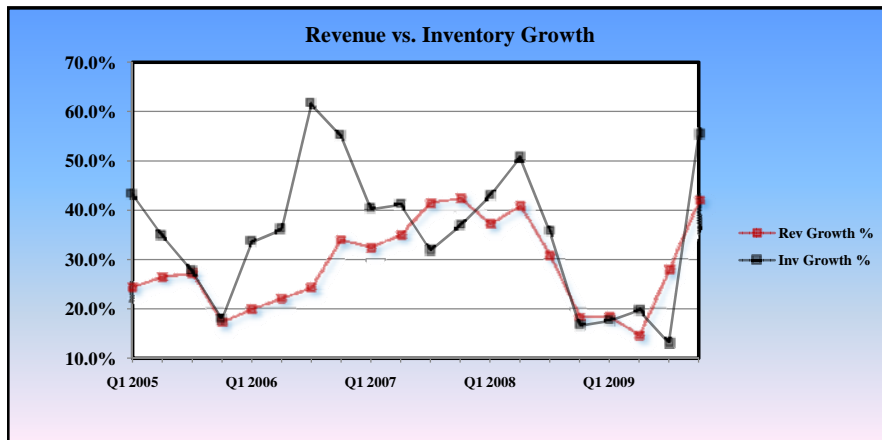
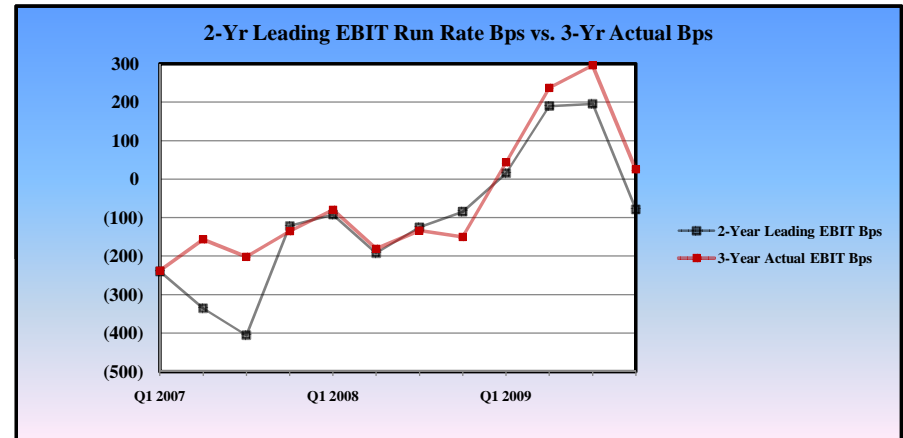
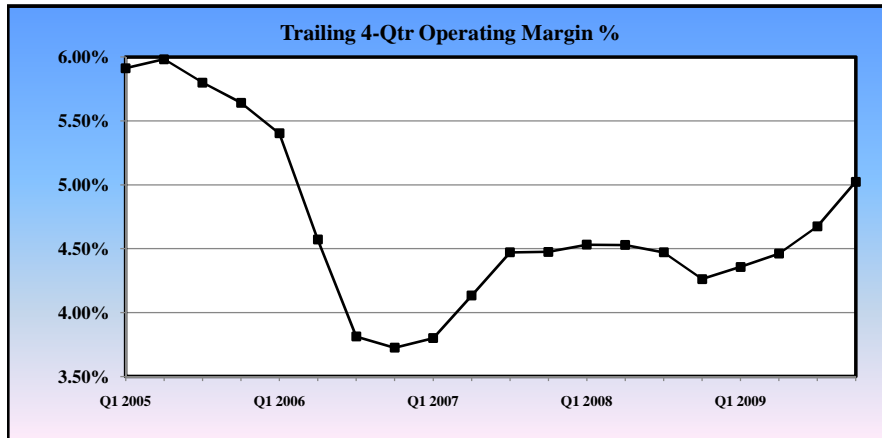
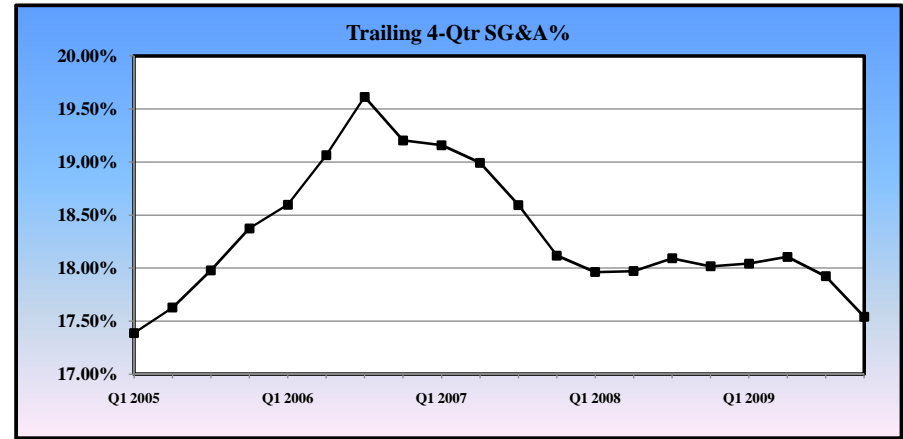
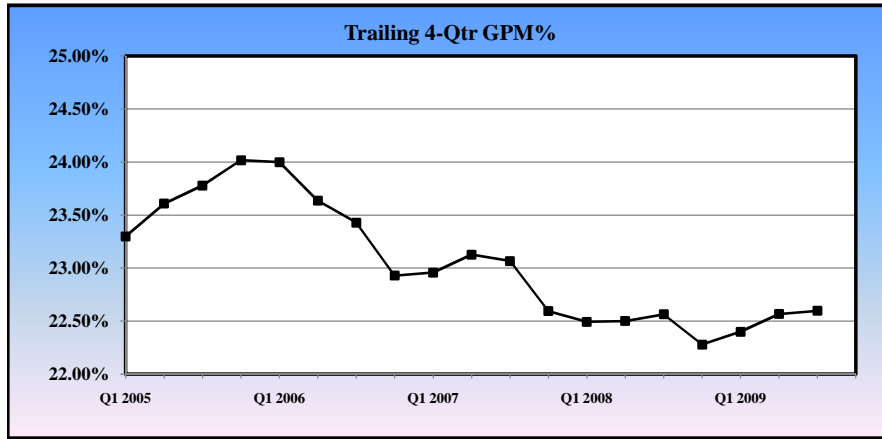
Non-Recurring Items:
Q3 2005 Other: \$20.000 million charge ToysRus.com legal settlement (\$)
Q2 2008 Other: \$53.000 million gain sales European DVD rental assets (\$0.12)

Amazon (AMZN) Diagnostics

28-Jan-10

	Q1 2006		Q2 2006		Q3 2006		Q4 2006		Q1 2007		Q2 2007		Q3 2007		Q4 2007		Q1 2008		Q2 2008		Q3 2008		Q4 2008		Q1 2009		Q2 2009		Q3 2009		Q4 2009	
	31-Mar-06	30-Jun-06	30-Sep-06	31-Dec-06	31-Mar-07	30-Jun-07	30-Sep-07	31-Dec-07	31-Mar-08	30-Jun-08	30-Sep-08	31-Dec-08	31-Mar-09	30-Jun-09	30-Sep-09	31-Dec-09	31-Mar-09	30-Jun-09	30-Sep-09	31-Dec-09	31-Mar-09	30-Jun-09	30-Sep-09	31-Dec-09	31-Mar-09	30-Jun-09	30-Sep-09	31-Dec-09	31-Mar-09	30-Jun-09	30-Sep-09	31-Dec-09
Net Revenue	\$2,279,000	\$2,139,000	\$2,307,000	\$3,986,000	\$3,015,000	\$2,886,000	\$3,262,000	\$5,673,000	\$4,135,000	\$4,063,000	\$4,264,000	\$6,704,000	\$4,889,000	\$4,651,000	\$5,449,000	\$9,519,000	\$4,889,000	\$4,651,000	\$5,449,000	\$9,519,000	\$4,889,000	\$4,651,000	\$5,449,000	\$9,519,000	\$4,889,000	\$4,651,000	\$5,449,000	\$9,519,000	\$4,889,000	\$4,651,000	\$5,449,000	\$9,519,000
Growth %	19.8%	22.0%	24.2%	33.9%	32.3%	34.9%	41.4%	42.3%	37.1%	40.8%	30.7%	18.2%	18.2%	14.5%	27.8%	42.0%	18.2%	14.5%	27.8%	42.0%	18.2%	14.5%	27.8%	42.0%	18.2%	14.5%	27.8%	42.0%	18.2%	14.5%	27.8%	42.0%
Gross Profit \$	\$547,000	\$509,000	\$549,000	\$851,000	\$719,000	\$701,000	\$762,000	\$1,170,000	\$956,000	\$967,000	\$999,000	\$1,348,000	\$1,148,000	\$1,133,000	\$1,273,000	\$1,976,000	\$1,148,000	\$1,133,000	\$1,273,000	\$1,976,000	\$1,148,000	\$1,133,000	\$1,273,000	\$1,976,000	\$1,148,000	\$1,133,000	\$1,273,000	\$1,976,000	\$1,148,000	\$1,133,000	\$1,273,000	\$1,976,000
Gross Profit Margin	24.00%	23.80%	23.80%	21.35%	23.85%	24.29%	23.36%	20.62%	23.12%	23.80%	23.43%	20.11%	23.48%	24.36%	23.36%	20.76%	23.48%	24.36%	23.36%	20.76%	23.48%	24.36%	23.36%	20.76%	23.48%	24.36%	23.36%	20.76%	23.48%	24.36%	23.36%	20.76%
Bps Change	(8)	(187)	(112)	(109)	(15)	49	(44)	(73)	(73)	(49)	7	(52)	36	56	(7)	65	36	56	(7)	65	36	56	(7)	65	36	56	(7)	65	36	56	(7)	65
Trailing 4-Qtr	24.00%	23.64%	23.43%	22.93%	22.96%	23.13%	23.07%	22.59%	22.49%	22.50%	22.56%	22.28%	22.40%	22.57%	22.60%	22.56%	22.40%	22.57%	22.60%	22.56%	22.40%	22.57%	22.60%	22.56%	22.40%	22.57%	22.60%	22.56%	22.40%	22.57%	22.60%	22.56%
Bps Change	(2)	(36)	(21)	(50)	3	17	(6)	(47)	(10)	1	6	(29)	12	17	3	(3)	12	17	3	(3)	12	17	3	(3)	12	17	3	(3)	12	17	3	(3)
SG&A \$	(\$438,000)	(\$459,000)	(\$507,000)	(\$653,000)	(\$574,000)	(\$582,000)	(\$636,000)	(\$896,000)	(\$752,000)	(\$795,000)	(\$838,000)	(\$1,068,000)	(\$893,000)	(\$914,000)	(\$1,013,000)	(\$1,479,000)	(\$893,000)	(\$914,000)	(\$1,013,000)	(\$1,479,000)	(\$893,000)	(\$914,000)	(\$1,013,000)	(\$1,479,000)	(\$893,000)	(\$914,000)	(\$1,013,000)	(\$1,479,000)	(\$893,000)	(\$914,000)	(\$1,013,000)	(\$1,479,000)
SG&A Exp Ratio	-19.22%	-21.46%	-21.98%	-16.38%	-19.04%	-20.17%	-19.50%	-15.79%	-18.19%	-19.57%	-19.65%	-15.93%	-18.27%	-19.65%	-18.59%	-15.54%	-18.27%	-19.65%	-18.59%	-15.54%	-18.27%	-19.65%	-18.59%	-15.54%	-18.27%	-19.65%	-18.59%	-15.54%	-18.27%	-19.65%	-18.59%	-15.54%
Bps Change	(87)	(184)	(217)	38	18	129	248	59	85	60	(16)	(14)	(8)	(8)	106	39	(8)	(8)	106	39	(8)	(8)	106	39	(8)	(8)	106	39	(8)	(8)	106	39
Trailing 4-Qtr	-18.60%	-19.06%	-19.61%	-19.20%	-19.16%	-18.99%	-18.59%	-18.12%	-17.96%	-17.97%	-18.09%	-18.02%	-18.04%	-18.11%	-17.92%	-17.54%	-18.04%	-18.11%	-17.92%	-17.54%	-18.04%	-18.11%	-17.92%	-17.54%	-18.04%	-18.11%	-17.92%	-17.54%	-18.04%	-18.11%	-17.92%	-17.54%
Bps Change	(22)	(47)	(55)	41	5	16	40	48	16	(1)	(12)	8	(3)	(6)	18	38	(3)	(6)	18	38	(3)	(6)	18	38	(3)	(6)	18	38	(3)	(6)	18	38
Operating Margin \$	\$109,000	\$50,000	\$42,000	\$198,000	\$145,000	\$119,000	\$126,000	\$274,000	\$204,000	\$172,000	\$161,000	\$280,000	\$255,000	\$219,000	\$260,000	\$497,000	\$255,000	\$219,000	\$260,000	\$497,000	\$255,000	\$219,000	\$260,000	\$497,000	\$255,000	\$219,000	\$260,000	\$497,000	\$255,000	\$219,000	\$260,000	\$497,000
Operating Margin	4.78%	2.34%	1.82%	4.97%	4.81%	4.12%	3.86%	4.83%	4.93%	4.23%	3.78%	4.18%	5.22%	4.71%	4.77%	5.22%	5.22%	4.71%	4.77%	5.22%	5.22%	4.71%	4.77%	5.22%	5.22%	4.71%	4.77%	5.22%	5.22%	4.71%	4.77%	5.22%
Bps Change	(95)	(371)	(329)	(71)	3	179	204	(14)	12	11	(9)	(65)	28	48	100	104	28	48	100	104	28	48	100	104	28	48	100	104	28	48	100	104
Bps Change - 2yr	(240)	(336)	(406)	(122)	(92)	(192)	(125)	(85)	15	190	196	(79)	41	59	91	39	41	59	91	39	41	59	91	39	41	59	91	39	41	59	91	39
Bps Change - 3yr					(237)	(157)	(202)	(135)	(80)	(181)	(134)	(150)	43	237	295	25	43	237	295	25	43	237	295	25	43	237	295	25	43	237	295	25
Trailing 4-Qtr	5.40%	4.57%	3.81%	3.73%	3.80%	4.13%	4.47%	4.48%	4.53%	4.53%	4.47%	4.26%	4.36%	4.46%	4.67%	5.02%	4.36%	4.46%	4.67%	5.02%	4.36%	4.46%	4.67%	5.02%	4.36%	4.46%	4.67%	5.02%	4.36%	4.46%	4.67%	5.02%
Bps Change	(24)	(83)	(76)	(9)	7	33	34	0	6	(0)	(6)	(21)	9	10	21	35	9	10	21	35	9	10	21	35	9	10	21	35	9	10	21	35
Depr/Amort \$	(\$40,000)	(\$43,000)	(\$63,000)	(\$59,000)	(\$62,000)	(\$60,000)	(\$61,000)	(\$63,000)	(\$65,000)	(\$70,000)	(\$76,000)	(\$77,000)	(\$87,000)	(\$84,000)	(\$96,000)	(\$112,000)	(\$87,000)	(\$84,000)	(\$96,000)	(\$112,000)	(\$87,000)	(\$84,000)	(\$96,000)	(\$112,000)	(\$87,000)	(\$84,000)	(\$96,000)	(\$112,000)	(\$87,000)	(\$84,000)	(\$96,000)	(\$112,000)
Trailing 4-Qtr	(\$133,000)	(\$149,000)	(\$182,000)	(\$205,000)	(\$227,000)	(\$244,000)	(\$242,000)	(\$246,000)	(\$249,000)	(\$259,000)	(\$274,000)	(\$288,000)	(\$310,000)	(\$324,000)	(\$344,000)	(\$379,000)	(\$310,000)	(\$324,000)	(\$344,000)	(\$379,000)	(\$310,000)	(\$324,000)	(\$344,000)	(\$379,000)	(\$310,000)	(\$324,000)	(\$344,000)	(\$379,000)	(\$310,000)	(\$324,000)	(\$344,000)	(\$379,000)
EBITDA \$	\$149,000	\$93,000	\$105,000	\$257,000	\$207,000	\$179,000	\$187,000	\$337,000	\$269,000	\$242,000	\$237,000	\$357,000	\$342,000	\$303,000	\$356,000	\$609,000	\$342,000	\$303,000	\$356,000	\$609,000	\$342,000	\$303,000	\$356,000	\$609,000	\$342,000	\$303,000	\$356,000	\$609,000	\$342,000	\$303,000	\$356,000	\$609,000
Trailing 4-Qtr	\$612,000	\$572,000	\$552,000	\$604,000	\$662,000	\$748,000	\$830,000	\$910,000	\$972,000	\$1,035,000	\$1,085,000	\$1,105,000	\$1,178,000	\$1,239,000	\$1,358,000	\$1,610,000	\$1,178,000	\$1,239,000	\$1,358,000	\$1,610,000	\$1,178,000	\$1,239,000	\$1,358,000	\$1,610,000	\$1,178,000	\$1,239,000	\$1,358,000	\$1,610,000	\$1,178,000	\$1,239,000	\$1,358,000	\$1,610,000
CapEx \$	(\$74,000)	(\$58,000)	(\$64,000)	(\$52,000)	(\$35,000)	(\$69,000)	(\$94,000)	(\$101,000)	(\$416,000)	(\$114,000)	(\$110,000)	(\$188,000)	(\$70,000)	(\$97,000)	(\$108,000)	(\$109,000)	(\$416,000)	(\$114,000)	(\$110,000)	(\$188,000)	(\$70,000)	(\$97,000)	(\$108,000)	(\$109,000)	(\$416,000)	(\$114,000)	(\$110,000)	(\$188,000)	(\$70,000)	(\$97,000)	(\$108,000)	(\$109,000)
Trailing 4-Qtr	(\$261,000)	(\$267,000)	(\$251,000)	(\$248,000)	(\$209,000)	(\$220,000)	(\$250,000)	(\$299,000)	(\$680,000)	(\$725,000)	(\$741,000)	(\$828,000)	(\$482,000)	(\$465,000)	(\$463,000)	(\$384,000)	(\$680,000)	(\$725,000)	(\$741,000)	(\$828,000)	(\$482,000)	(\$465,000)	(\$463,000)	(\$384,000)	(\$680,000)	(\$725,000)	(\$741,000)	(\$828,000)	(\$482,000)	(\$465,000)	(\$463,000)	(\$384,000)
Dividends \$	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Trailing 4-Qtr	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Share Repo \$	\$0	\$0	(\$252,000)	\$0	(\$248,000)	\$0	\$0	\$0	\$0	(\$100,000)	\$0	\$0	\$0	\$0	\$0	\$0	(\$100,000)	(\$100,000)	\$0	\$0	(\$100,000)	(\$100,000)	\$0	\$0	(\$100,000)	(\$100,000)	\$0	\$0	\$0	\$0	\$0	
Trailing 4-Qtr	\$0	\$0	(\$252,000)	(\$252,000)	(\$500,000)	(\$500,000)	(\$248,000)	(\$248,000)	\$0	(\$100,000)	(\$100,000)	(\$100,000)	(\$100,000)	(\$100,000)	\$0	\$0	(\$100,000)	(\$100,000)	(\$100,000)	(\$100,000)	(\$100,000)	(\$100,000)	(\$100,000)	(\$100,000)	(\$100,000)	(\$100,000)	(\$100,000)	(\$100,000)	(\$100,000)	(\$100,000)	(\$100,000)	(\$100,000)
Inventory \$	\$538,000	\$521,000	\$736,000	\$877,000	\$754,000	\$735,000	\$970,000	\$1,200,000	\$1,077,000	\$1,107,000	\$1,315,000	\$1,399,000	\$1,266,000	\$1,325,000	\$1,487,000	\$2,171,000	\$1,077,000	\$1,107,000	\$1,315,000	\$1,399,000	\$1,266,000	\$1,325,000	\$1,487,000	\$2,171,000	\$1,266,000	\$1,325,000	\$1,487,000	\$2,171,000	\$1,266,000	\$1,325,000	\$1,487,000	\$2,171,000
Growth %	33.5%	36.0%	61.4%	54.9%	40.1%	41.1%	31.8%	36.8%	42.8%	50.6%	35.6%	16.6%	17.5%	19.7%	13.1%	55.2%	17.5%	19.7%	13.1%	55.2%	17.5%	19.7%	13.1%	55.2%	17.5%	19.7%	13.1%	55.2%	17.5%	19.7%	13.1%	55.2%
% Fwd Qtr CGS	33.0%	29.6%	23.5%	38.2%	34.5%	29.4%	21.5%	37.7%	34.8%	33.9%	24.6%	37.4%	36.0%	31.7%	19.7%	37.4%	36.0%	31.7%	19.7%	37.4%	36.0%	31.7%	19.7%	37.4%	36.0%	31.7%	19.7%					

Amazon (AMZN) Chartology



Amazon (AMZN) 3-Year Divisional Gross Profit Margin Run Rates

	FY 2006		FY 2007		Combined		FY 2008		Combined		FY 2009		Combined
	vs. LY		vs. LY		2-Year		vs. LY		3-Year		vs. LY		4-Year
Gross Profit Margin % - North America Division													
Q1	Higher 8 Bps	+	Lower 28 Bps	=	Lower 20 Bps	+	Lower 31 Bps	=	Lower 51 Bps	+	Higher 16 Bps	=	Lower 35 Bps
Q2	Lower 225 Bps	+	Higher 40 Bps	=	Lower 185 Bps	+	Lower 133 Bps	=	Lower 318 Bps	+	Higher 164 Bps	=	Lower 154 Bps
Q3	Lower 76 Bps	+	Lower 156 Bps	=	Lower 232 Bps	+	Lower 27 Bps	=	Lower 259 Bps	+	Higher 99 Bps	=	Lower 160 Bps
Q4	Lower 75 Bps	+	Lower 146 Bps	=	Lower 221 Bps	+	Lower 112 Bps	=	Lower 333 Bps	+	Higher 210 Bps	=	Lower 123 Bps
Gross Profit Margin % - International Division													
Q1	Lower 50 Bps	+	Higher 14 Bps	=	Lower 36 Bps	+	Lower 84 Bps	=	Lower 120 Bps	+	Higher 39 Bps	=	Lower 81 Bps
Q2	Lower 132 Bps	+	Higher 41 Bps	=	Lower 91 Bps	+	Higher 75 Bps	=	Lower 16 Bps	+	Lower 58 Bps	=	Lower 74 Bps
Q3	Lower 131 Bps	+	Higher 87 Bps	=	Lower 44 Bps	+	Higher 56 Bps	=	Higher 12 Bps	+	Lower 106 Bps	=	Lower 94 Bps
Q4	Lower 138 Bps	+	Higher 29 Bps	=	Lower 109 Bps	+	Higher 22 Bps	=	Lower 87 Bps	+	Lower 79 Bps	=	Lower 166 Bps
Gross Profit Margin % - Total Company													
Q1	Lower 8 Bps	+	Lower 15 Bps	=	Lower 23 Bps	+	Lower 73 Bps	=	Lower 96 Bps	+	Higher 36 Bps	=	Lower 60 Bps
Q2	Lower 187 Bps	+	Higher 49 Bps	=	Lower 138 Bps	+	Lower 49 Bps	=	Lower 187 Bps	+	Higher 56 Bps	=	Lower 131 Bps
Q3	Lower 112 Bps	+	Lower 44 Bps	=	Lower 156 Bps	+	Higher 7 Bps	=	Lower 149 Bps	+	Lower 7 Bps	=	Lower 142 Bps
Q4	Lower 109 Bps	+	Lower 73 Bps	=	Lower 182 Bps	+	Lower 51 Bps	=	Lower 233 Bps	+	Higher 65 Bps	=	Lower 168 Bps

Amazon (AMZN) Quarterly GPM%

12-Apr-10

<i>North America Division</i>	Q1	Q2	Q3	Q4
FY 2004	26.68%	27.81%	27.33%	25.49%
FY 2005	27.17%	28.96%	28.05%	24.84%
FY 2006	27.35%	26.71%	27.29%	24.09%
FY 2007	27.07%	27.11%	25.73%	22.63%
FY 2008	26.76%	25.78%	25.46%	21.51%
FY 2009	26.92%	27.42%	26.45%	23.61%
Simple Average FY 2004 - FY 2009:	26.99%	27.30%	26.72%	23.70%
Bps Change vs. Prior Fiscal Qtr:	330	31	(58)	(302)
Simple Average FY 2004 - FY 2010:				

<i>International Division</i>	Q1	Q2	Q3	Q4
FY 2004	19.75%	20.30%	20.56%	16.47%
FY 2005	20.46%	21.69%	20.93%	19.32%
FY 2006	19.96%	20.37%	19.62%	17.94%
FY 2007	20.10%	20.78%	20.49%	18.23%
FY 2008	19.26%	21.53%	21.05%	18.45%
FY 2009	19.65%	20.95%	19.99%	17.66%
Simple Average FY 2004 - FY 2009:	19.86%	20.94%	20.44%	18.01%
Bps Change vs. Prior Fiscal Qtr:	185	107	(50)	(243)
Simple Average FY 2002 - FY 2010:				

**Italics indicate TRG estimate.*

Amazon (AMZN) Sales/Profitability Notes - FY 2009

12-Apr-10

	Q1 2009	Q2 2009	Q3 2009	Q4 2009
Total Revenue:	\$4,889,000 18.2%	\$4,651,000 14.5%	\$5,449,000 27.8%	\$9,519,000 42.0%
Notes:	FX Impact Sales = (\$268 million) 91 million world active accounts (+15%) 1.6 million world active sellers (+23%) seller units = 32% vs. 30% LY benefit via Easter in Q1 last year recognize <i>Kindle</i> sales over 2yr period	FX Impact Sales = (\$227 million) 94 million world active accounts (+16%) 1.7 million world active sellers (+21%) seller units = 30% vs. 29% LY	FX Impact Sales = (\$41 million) 98 million world active accounts (+17%) 1.8 million world active sellers (+29%) seller units = 31% vs. 31% LY	FX Impact Sales = \$354 million 105 million world active accounts (+19%) 1.9 million world active sellers (+27%) seller units = 28% vs. 27% LY <i>Zappos</i> = \$200M revenue (post-Nov 1st)
North Amer Rev:	\$2,578,000 21.3%	\$2,451,000 13.1%	\$2,843,000 23.5%	\$4,956,000 36.5%
Sales Notes:	Media +8.3% / EGM +41.9% / Other +6.3%	Media flat / EGM +29.0% / Other +16.0% <i>Kindle</i> continue to exceed expectations	Media +13.4% / EGM +36.1% / Other +29.0% <i>Kindle</i> now 3G network and \$259 vs. \$279	Media +19.9% / EGM +53.6% / Other +32.7%
Profit Notes:	GPM % +16 Bps vs. LY higher via improved vendor pricing higher via 3rd party sales decline via lower prices decline via change product sales mix	GPM % +164 Bps vs. LY higher via improved vendor pricing higher via 3rd party sales decline via lower prices decline via change product sales mix	GPM % +99 Bps vs. LY higher via other revenue higher via 3rd party sales higher via improved vendor pricing decline via lower prices decline via change product sales mix	GPM % +210 Bps vs. LY higher via other revenue higher via 3rd party sales higher via improved vendor pricing decline via lower prices decline via change product sales mix
Intl Revenue:	\$2,311,000 15.0%	\$2,200,000 16.1%	\$2,606,000 32.8%	\$4,563,000 48.5%
Sales Notes:	Media +6.0% / EGM +33.4% / Other +18.8% FX Impact Sales = (\$258 million)	Media +2.9% / EGM +44.4% / Other -7.7% FX Impact Sales = (\$221 million)	Media +21.5% / EGM +54.2% / Other +8.7% FX Impact Sales = (\$39 million)	Media +36.6% / EGM +68.4% / Other +28.6% FX Impact Sales = \$344 million
Profit Notes:	GPM % +36 Bps vs. LY higher via improved vendor pricing higher via 3rd party sales decline via lower prices decline via change product sales mix	GPM % -58 Bps vs. LY higher via improved vendor pricing higher via 3rd party sales decline via lower prices decline via change product sales mix	GPM % -106 Bps vs. LY higher via improved vendor pricing higher via 3rd party sales decline via lower prices decline via change product sales mix	GPM % -79 Bps vs. LY higher via improved vendor pricing higher via 3rd party sales decline via lower prices decline via change product sales mix

Amazon (AMZN) Sales/Profitability Notes - FY 2008

12-Apr-10

	Q1 2008	Q2 2008	Q3 2008	Q4 2008
Total Revenue:	\$4,135,000 37.1%	\$4,063,000 40.8%	\$4,264,000 30.7%	\$6,704,000 18.2%
Notes:	FX Impact Sales = \$185 million 79 million world active accounts (+19%) 1.3 million world active sellers (+17%) seller units = 30% vs. 29% LY	FX Impact Sales = \$182 million 81 million world active accounts (+18%) 1.4 million world active sellers (+18%) seller units = 29% vs. 29% LY	FX Impact Sales = \$80 million 84 million world active accounts (+17%) 1.4 million world active sellers (+17%) seller units = 31% vs. 31% LY +290 Bps growth LY via <i>Harry Potter</i> +70% <i>Amazon Prime</i> membership	FX Impact Sales = (\$320 million) 88 million world active accounts (+16%) 1.5 million world active sellers (+18%) seller units = 27% vs. 26% LY
North Amer Rev:	\$2,126,000 31.1%	\$2,168,000 35.4%	\$2,302,000 28.7%	\$3,631,000 17.7%
Sales Notes:	strong electronics, toys, baby, soft goods strong consumables	strong electronics, toys, baby, soft goods strong consumables	<i>Kindle</i> sales significant higher than expect doubled <i>Kindle</i> content vs. launch date	pleased with <i>Kindle</i> demand 2-year revenue cycle post-sale
Profit Notes:	GPM % -31 Bps vs. LY decline via lower prices decline via change product sales mix	GPM % -133 Bps vs. LY decline via change product sales mix decline via lower prices decline via free shipping via <i>Amazon Prime</i>	GPM % -27 Bps vs. LY decline via lower prices decline via free shipping via <i>Amazon Prime</i> decline via change product sales mix improve via higher Other Revenue	GPM % -112 Bps vs. LY decline via lower prices decline via free shipping via <i>Amazon Prime</i> decline via change product sales mix improve via higher Other Revenue
Intl Revenue:	\$2,009,000 44.2%	\$1,895,000 47.5%	\$1,962,000 33.1%	\$3,073,000 18.7%
Sales/Profit Notes:	FX Impact Sales = \$179 million GPM % -84 Bps vs. LY decline via lower prices decline via change product sales mix improve via higher 3rd party sales	FX Impact Sales = \$179 million GPM % +75 Bps vs. LY improve via higher 3rd party sales improve via improve vendor pricing decline via lower prices decline via change product sales mix	FX Impact Sales = \$80 million GPM % +56 Bps vs. LY improve via higher 3rd party sales improve via improve vendor pricing decline via lower prices decline via change product sales mix	FX Impact Sales = (\$308 million) GPM % +22 Bps vs. LY improve via higher 3rd party sales improve via improve vendor pricing decline via lower prices decline via change product sales mix

Amazon (AMZN) Sales/Profitability Notes - FY 2007

12-Apr-10

	Q1 2007	Q2 2007	Q3 2007	Q4 2007
Total Revenue:	\$3,015,000 32.3%	\$2,886,000 34.9%	\$3,262,000 41.4%	\$5,673,000 42.3%
Notes:				FX Impact Sales = \$195 million 76 million world active accounts (+19%) 1.3 million world active sellers (+15%) seller units = 26% vs. 25% LY
North Amer Rev:	\$1,622,000	\$1,601,000	\$1,788,000	\$3,084,000 39.7%
Sales Notes:				strong electronics, toys, baby, soft goods soft goods = jewel, apparel, shoes, sport goods
Profit Notes:				GPM % -146 Bps vs. LY decline via lower prices decline via change product sales mix
Intl Revenue:	\$1,393,000	\$1,285,000	\$1,474,000	\$2,589,000 45.6%
Notes:				FX Impact Sales = \$188 million GPM % +29 Bps vs. LY improve via higher 3rd party sales decline via lower prices decline via change product sales mix decline via free shipping offers

Amazon (AMZN) Operating Segment Profitability

12-Apr-10

North Amer Division	2005	2006	Q1 2007	Q2 2007	Q3 2007	Q4 2007	2007	Q1 2008	Q2 2008	Q3 2008	Q4 2008	2008	Q1 2009	Q2 2009	Q3 2009	Q4 2009	2009
Division Net Sales	4,711,000	5,869,000	1,622,000	1,601,000	1,788,000	3,084,000	8,095,000	2,126,000	2,168,000	2,302,000	3,631,000	10,228,000	2,578,000	2,451,000	2,843,000	4,956,000	12,828,000
Cost of Goods Sold	(3,444,000)	(4,344,000)	(1,183,000)	(1,167,000)	(1,328,000)	(2,386,000)	(6,064,000)	(1,557,000)	(1,609,000)	(1,716,000)	(2,850,000)	(7,733,000)	(1,884,000)	(1,779,000)	(2,091,000)	(3,786,000)	(9,538,000)
Gross Profit	1,267,000	1,525,000	439,000	434,000	460,000	698,000	2,031,000	569,000	559,000	586,000	781,000	2,495,000	694,000	672,000	752,000	1,170,000	3,290,000
Direct Oper Expense	(971,000)	(1,275,000)	(353,000)	(352,000)	(381,000)	(545,000)	(1,631,000)	(439,000)	(463,000)	(498,000)	(651,000)	(2,050,000)	(544,000)	(547,000)	(596,000)	(892,000)	(2,581,000)
Non-Recurring Items	0	(20,000)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Adjusted Operating Profit	296,000	230,000	86,000	82,000	79,000	153,000	400,000	130,000	96,000	88,000	130,000	445,000	150,000	125,000	156,000	278,000	709,000
Sales Growth %		24.6%	30.1%	38.4%	42.2%	39.7%	37.9%	31.1%	35.4%	28.7%	17.7%	26.3%	21.3%	13.1%	23.5%	36.5%	25.4%
Direct Oper Exp Growth %		31.3%	26.5%	33.3%	18.7%	32.6%	27.9%	24.4%	31.5%	30.7%	19.4%	25.7%	23.9%	18.1%	19.7%	37.0%	25.9%
Divisional Sales Mix %	55.5%	54.8%	53.8%	55.5%	54.8%	54.4%	54.6%	51.4%	53.4%	54.0%	54.2%	53.4%	52.7%	52.7%	52.2%	52.1%	52.3%
Gross Profit Margin %	26.89%	25.98%	27.07%	27.11%	25.73%	22.63%	25.09%	26.76%	25.78%	25.46%	21.51%	24.39%	26.92%	27.42%	26.45%	23.61%	25.65%
Direct Operating Exp %	-20.61%	-21.72%	-21.76%	-21.99%	-21.31%	-17.67%	-20.15%	-20.65%	-21.36%	-21.63%	-17.93%	-20.04%	-21.10%	-22.32%	-20.96%	-18.00%	-20.12%
Operating Margin (ex-Items)	6.28%	4.26%	5.30%	5.12%	4.42%	4.96%	4.94%	6.11%	4.43%	3.82%	3.58%	4.35%	5.82%	5.10%	5.49%	5.61%	5.53%
GPM% Bps Change		(91)	(28)	40	(156)	(146)	(89)	(30)	(132)	(27)	(112)	(70)	16	163	99	210	125
Direct Oper Exp Bps Chng		(111)	61	83	423	94	158	111	63	(32)	(26)	11	(45)	(96)	67	(7)	(8)
Operating Margin Bps Chng		(202)	33	123	267	(52)	68	81	(69)	(60)	(138)	(59)	(30)	67	166	203	118
International Division	2005	2006	Q1 2007	Q2 2007	Q3 2007	Q4 2007	2007	Q1 2008	Q2 2008	Q3 2008	Q4 2008	2008	Q1 2009	Q2 2009	Q3 2009	Q4 2009	2009
Division Net Sales	3,779,000	4,842,000	1,393,000	1,285,000	1,474,000	2,588,000	6,740,000	2,009,000	1,895,000	1,962,000	3,073,000	8,938,000	2,311,000	2,200,000	2,606,000	4,563,000	11,681,000
Cost of Goods Sold	(3,007,000)	(3,911,000)	(1,113,000)	(1,018,000)	(1,172,000)	(2,115,000)	(5,418,000)	(1,622,000)	(1,487,000)	(1,549,000)	(2,506,000)	(7,163,000)	(1,857,000)	(1,739,000)	(2,085,000)	(3,757,000)	(9,440,000)
Gross Profit	772,000	931,000	280,000	267,000	302,000	473,000	1,322,000	387,000	408,000	413,000	567,000	1,775,000	454,000	461,000	521,000	806,000	2,241,000
Direct Oper Expense	(502,000)	(661,000)	(187,000)	(184,000)	(204,000)	(298,000)	(873,000)	(259,000)	(259,000)	(270,000)	(338,000)	(1,127,000)	(282,000)	(282,000)	(327,000)	(487,000)	(1,378,000)
Non-Recurring Items	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Adjusted Operating Profit	270,000	270,000	93,000	83,000	98,000	175,000	449,000	128,000	149,000	143,000	229,000	648,000	172,000	179,000	194,000	319,000	863,000
Sales Growth %		28.1%	35.0%	30.9%	40.4%	45.6%	39.2%	44.2%	47.5%	33.1%	18.7%	32.6%	15.0%	16.1%	32.8%	48.5%	30.7%
Direct Oper Exp Growth %		31.7%	26.4%	26.9%	30.8%	40.6%	32.1%	38.5%	40.8%	32.4%	13.4%	29.1%	8.9%	8.9%	21.1%	44.1%	22.3%
Divisional Sales Mix %	44.5%	45.2%	46.2%	44.5%	45.2%	45.6%	45.4%	48.6%	46.6%	46.0%	45.8%	46.6%	47.3%	47.3%	47.8%	47.9%	47.7%
Gross Profit Margin %	20.43%	19.23%	20.10%	20.78%	20.49%	18.28%	19.61%	19.26%	21.53%	21.05%	18.45%	19.86%	19.65%	20.95%	19.99%	17.66%	19.19%
Direct Operating Exp %	-13.28%	-13.65%	-13.42%	-14.32%	-13.84%	-11.51%	-12.95%	-12.89%	-13.67%	-13.76%	-11.00%	-12.61%	-12.20%	-12.82%	-12.55%	-10.67%	-11.80%
Operating Margin (ex-Items)	7.14%	5.58%	6.68%	6.46%	6.65%	6.76%	6.66%	6.37%	7.86%	7.29%	7.45%	7.25%	7.44%	8.14%	7.44%	6.99%	7.39%
GPM% Bps Change		(120)	14	41	87	34	39	(84)	75	56	17	24	38	(58)	(106)	(79)	(67)
Direct Oper Exp Bps Chng		(37)	92	45	102	41	70	53	65	8	52	34	69	85	121	33	81
Operating Margin Bps Chng		(157)	106	86	189	74	109	(30)	140	64	69	59	107	27	16	(46)	14

*Italics indicate TRG estimate. Amounts in thousands (000).



Amazon (AMZN) Balance Sheet/Other Disclosures

12-Apr-10

	Q1 2007	Q2 2007	Q3 2007	Q4 2007	Q1 2008	Q2 2008	Q3 2008	Q4 2008	Q1 2009	Q2 2009	Q3 2009	Q4 2009
Balance Sheet:												
Inventory	\$754,000	\$735,000	\$970,000	\$1,200,000	\$1,077,000	\$1,107,000	\$1,315,000	\$1,399,000	\$1,266,000	\$1,325,000	\$1,487,000	\$2,171,000
Growth %					42.8%	50.6%	35.6%	16.6%	17.5%	19.7%	13.1%	55.2%
Unredeemed Gift Certificates	\$168,000	\$173,000	\$178,000	\$230,000	\$205,000	\$206,000	\$216,000	\$270,000	\$242,000	\$252,000	\$260,000	\$347,000
Growth %				25.7%	12.0%	12.6%	18.0%	17.4%	18.0%	22.3%	20.4%	28.5%
Current Unearned Revenue	\$77,000	\$77,000	\$86,000	\$91,000	\$120,000	\$138,000	\$158,000	\$191,000	\$255,000	\$320,000	\$372,000	\$511,000
Growth %				16.7%	53.8%	76.9%	102.6%	109.9%	112.5%	131.9%	135.4%	167.5%
Non-Current Unearned Revenue	\$0	\$15,000	\$15,000	\$19,000	\$25,000	\$28,000	\$41,000	\$46,000	\$80,000	\$101,000	\$103,000	\$201,000
Growth %						86.7%	173.3%	142.1%	220.0%	260.7%	151.2%	337.0%
Capitalized Software/Web Devl	\$29,000	\$33,000	\$35,000	\$32,000	\$57,000	\$41,000	\$41,000	\$48,000	\$41,000	\$46,000	\$48,000	\$52,000
Growth %					96.6%	24.2%	17.1%	50.0%	-28.1%	12.2%	17.1%	8.3%
Shipping:												
Shipping Fees (incl. in Sales)	\$151,000	\$152,000	\$171,000	\$266,000	\$192,000	\$186,000	\$191,000	\$266,000	\$190,000	\$185,000	\$208,000	\$341,000
Growth %					27.2%	22.4%	11.7%	0.0%	-1.0%	-0.5%	8.9%	28.2%
Shipping Costs (incl. CGS)	(\$238,000)	(\$227,000)	(\$260,000)	(\$449,000)	(\$320,000)	(\$314,000)	(\$323,000)	(\$508,000)	(\$358,000)	(\$332,000)	(\$388,000)	(\$696,000)
Growth %					34.5%	38.3%	24.2%	13.1%	11.9%	5.7%	20.1%	37.0%
Net Shipping Cost	(\$87,000)	(\$75,000)	(\$89,000)	(\$183,000)	(\$128,000)	(\$128,000)	(\$132,000)	(\$242,000)	(\$168,000)	(\$147,000)	(\$180,000)	(\$355,000)
Growth %					47.1%	70.7%	48.3%	32.2%	31.3%	14.8%	36.4%	46.7%
Reported GPM%	23.85%	24.29%	23.36%	20.62%	23.12%	23.80%	23.43%	20.11%	23.48%	24.36%	23.36%	20.76%
Bps Change	Lower 15 Bps	Higher 49 Bps	Lower 44 Bps	Lower 73 Bps	Lower 73 Bps	Lower 49 Bps	Higher 7 Bps	Lower 51 Bps	Higher 36 Bps	Higher 56 Bps	Higher 56 Bps	Higher 56 Bps
Adjusted GPM% (ex-Shipping)	28.14%	28.38%	27.53%	25.02%	27.49%	28.24%	27.77%	24.70%	28.01%	28.66%	27.72%	25.40%
Bps Change					Lower 65 Bps	Lower 14 Bps	Higher 24 Bps	Lower 32 Bps	Higher 52 Bps	Higher 42 Bps	Lower 5 Bps	Higher 70 Bps
Shipping Drag Bps	(430)	(409)	(417)	(440)	(437)	(444)	(434)	(459)	(452)	(430)	(436)	(464)
Shipping Drag Bps Overall GPM%					(8)	(35)	(17)	(19)	(15)	14	(2)	(5)

*Italics indicate TRG estimate. Amounts in thousands (000).

Amazon (AMZN) Guidance Worksheet - FY 2010

12-Apr-10

	Q1 2010 Guidance	Q1 2010 Actual	Q2 2010 Guidance	Q2 2010 Actual	Q3 2010 Guidance	Q3 2010 Actual	Q4 2010 Guidance	Q4 2010 Actual
Guidance Date:	28-Jan-10							
Revenue:								
Net Revenue	\$6.450B to \$7.000B							
Net Revenue Growth %	+32% to +43%							
Projected FX Impact	+500 Bps positive (\$244M)							
Operating Income:								
Operating Income	\$275M to \$365M							
Operating Income Growth %	+13% to +50%							
Operating Inc % (Mid Sales)	4.09% to 5.43%							
Stock-Based Comp/Amort								

Amazon (AMZN) Guidance Worksheet - FY 2009

28-Jan-10

	Q1 2009 Guidance	Q1 2009 Actual	Q2 2009 Guidance	Q2 2009 Actual	Q3 2009 Guidance	Q3 2009 Actual	Q4 2009 Guidance	Q4 2009 Actual
Guidance Date:	29-Jan-09		23-Apr-09		23-Jul-09		22-Oct-09	
Revenue:								
Net Revenue	\$4.525B to \$4.925B	\$4.889B	\$4.300B to \$4.750B	\$4.651B	\$4.750B to \$5.250B	\$5.449B	\$8.125B to \$9.125B	\$9.519B
Net Revenue Growth %	+9% to +19%	+18.2%	+6% to +17%	+14.5%	+11% to +23%	+27.8%	+21% to +36%	+42.0%
Projected FX Impact	-600 Bps negative (\$284M)	negative \$268M	-700 Bps negative (\$317M)	negative \$227M	-150 Bps negative (\$75M)	negative \$41M	+500 Bps positive (\$431M)	positive \$354M
Operating Income:								
Operating Income	\$125M to \$210M	\$244.0M	\$110M to \$190M	\$210.0M	\$120M to \$210M	\$251.0M	\$300M to \$425M	\$476.0M
Operating Income Growth %	-37% to +6%	+23.2%	-33% to +16% (ex-Items LY)	+28.0%	-22% to +36% (ex-Items LY)	+63.0%	+10% to +56% (ex-Items LY)	+75.0%
Operating Inc % (Mid Sales)	2.65% to 4.44%	5.22%	2.43% to 4.20%	4.71%	2.40% to 4.20%	4.77%	3.48% to 4.93%	5.22%
Stock-Based Comp/Amort	\$75M	\$67M	\$90M	\$85M	\$95M	\$90M	\$100M	\$100M

Amazon (AMZN) Guidance Worksheet - FY 2008

	Q1 2008 Guidance	Q1 2008 Actual	Q2 2008 Guidance	Q2 2008 Actual	Q3 2008 Guidance	Q3 2008 Actual	Q4 2008 Guidance	Q4 2008 Actual
Guidance Date:	30-Jan-08		23-Apr-08		23-Jul-08		22-Oct-08	
Revenue:								
Net Revenue	\$3.95B to \$4.15B	\$4.135B	\$3.875B to \$4.075B	\$4.063B	\$4.200B to \$4.425B	\$4.264B	\$6.000B to \$7.000B	\$6.704B
Net Revenue Growth %	+31% to +38%	+37.1%	+34% to +41%	+40.8%	+29% to +36%	+30.7%	+6% to +23%	+18.2%
Projected FX Impact	+500 Bps benefit (\$151M)	positive \$185M	+700 Bps benefit (\$202M)	positive \$182M	+450 Bps benefit (\$147M)	positive \$80M	-500 Bps negative (\$325M)	negative \$320M
Operating Income:								
Operating Income	\$155M to \$200M	\$198.0M	\$120M to \$160M	\$164.0M (ex-Item)	\$115M to \$160M	\$154.0M	\$145M to \$305M	\$272.0M
Operating Income Growth %	+7% to +38%	+36.6%	+3% to +38%	+41.4%	-6% to +31%	+25.2%	-46% to +13%	+0.4%
Operating Inc % (Mid Sales)	3.87% to 4.99%	4.93%	3.02% to 4.03%	4.23%	2.67% to 3.71%	3.78%	2.23% to 4.69%	4.18%
Stock-Based Comp/Amort	\$55M	\$54M	\$80M	\$73M	\$80M	\$70M	\$85M	\$79M
	FY 2008 Guidance Revenue: \$18.75B to \$19.75B Oper Inc: \$785M to \$985M Oper Inc Growth %: +20% to +50% Stock Comp/Amort: \$240M		FY 2008 Guidance Revenue: \$19.1B to \$20.0B Oper Inc: \$740M to \$940M Oper Inc Growth %: +13% to +43% Stock Comp/Amort: \$285M		FY 2008 Guidance Revenue: \$19.35B to \$20.1B Oper Inc: \$745M to \$920M Oper Inc Growth %: +14% to +40% Stock Comp/Amort: \$295M		FY 2008 Guidance Revenue: \$18.46B to \$19.46B Oper Inc: \$716M to \$876M Oper Inc Growth %: +9% to +34% Stock Comp/Amort: \$300M	

Amazon (AMZN) Guidance Worksheet - FY 2007

28-Jan-10

	Q1 2007 Guidance	Q1 2007 Actual	Q2 2007 Guidance	Q2 2007 Actual	Q3 2007 Guidance	Q3 2007 Actual	Q4 2007 Guidance	Q4 2007 Actual
Guidance Date:	01-Feb-07		24-Apr-07		24-Jul-07		23-Oct-07	
Revenue:								
Net Revenue	\$2.850B to \$3.000B	\$3.015B	\$2.700B to \$2.850B	\$2.886B	\$3.000B to \$3.175B	\$3.262B	\$5.100B to \$5.450B	\$5.673B
Net Revenue Growth %	+25% to +32%	32.3%	+26% to +33%	+34.9%	+30% to +38%	+41.4%	+28% to +37%	+42.3%
Operating Income:								
Operating Income	\$82M to \$122M	\$145.0M	\$65M to \$105M	\$116.0M	\$75M to \$110M	\$123.0M	\$221M to \$291M	\$271.0M
Operating Income Growth %	-22% to +16%	+36.8%	+39% to +125%	+146.8%	+88% to +175%	+207.5%	+12% to +48%	+38.3%
Operating Inc % (Mid Sales)	2.80% to 4.17%	4.81%	2.34% to 3.78%	4.12%	2.43% to 3.56%	3.86%	4.19% to 5.52%	4.83%
Stock-Based Comp/Amort	\$38M	\$34M	\$45M	\$46M	\$50M	\$51M	\$54M	\$54M
	FY 2007 Guidance Revenue: \$13.000B to \$13.700B Oper Inc: \$355M to \$505M Oper Inc Growth %: -9% to +30% Stock Comp/Amort: \$165M		FY 2007 Guidance Revenue: \$13.400B to \$14.000B Oper Inc: \$463M to \$593M Oper Inc Growth %: +19% to +52% Stock Comp/Amort: \$170M		FY 2007 Guidance Revenue: \$13.800B to \$14.300B Oper Inc: \$540M to \$640M Oper Inc Growth %: +39% to +65% Stock Comp/Amort: \$185M		FY 2007 Guidance Revenue: \$14.263B to \$14.613B Oper Inc: \$605M to \$675M Oper Inc Growth %: +56% to +74% Stock Comp/Amort: \$191M	

Tiburon Research Group
Compology - Comp Store Sales 5-Year Run Rates

Amazon.com (AMZN)	Q1	Q2	Q3	Q4
5-Year Run Rate	131.7%	138.6%	151.1%	153.6%
FY 2009	18.2%	14.5%	27.8%	42.0%
4-Year Run Rate	113.5%	124.1%	123.3%	111.6%
FY 2008	37.1%	40.8%	30.7%	18.2%
3-Year Run Rate	76.4%	83.3%	92.6%	93.4%
FY 2007	32.3%	34.9%	41.4%	42.3%
FY 2006	19.8%	22.0%	24.2%	33.9%
FY 2005	24.3%	26.4%	27.0%	17.2%

North America - Media	Q1	Q2	Q3	Q4
5-Year Run Rate	84.9%	83.1%	102.4%	95.6%
FY 2009	8.3%	0.0%	13.4%	19.9%
4-Year Run Rate	76.6%	83.1%	89.0%	75.7%
FY 2008	21.7%	24.4%	15.2%	7.0%
3-Year Run Rate	54.9%	58.7%	73.8%	68.7%
FY 2007	21.5%	26.4%	37.7%	30.8%
FY 2006	16.6%	15.5%	14.8%	21.4%
FY 2005	16.8%	16.8%	21.3%	16.5%

North America - Elect/Other	Q1	Q2	Q3	Q4
5-Year Run Rate	197.5%	201.1%	208.8%	215.9%
FY 2009	41.9%	29.0%	36.1%	53.6%
4-Year Run Rate	155.6%	172.1%	172.7%	162.3%
FY 2008	46.5%	51.8%	50.6%	29.7%
3-Year Run Rate	109.1%	120.3%	122.1%	132.6%
FY 2007	50.8%	66.0%	54.3%	52.5%
FY 2006	32.6%	31.3%	34.5%	51.3%
FY 2005	25.7%	23.0%	33.3%	28.8%

North America - Other	Q1	Q2	Q3	Q4
5-Year Run Rate	183.4%	203.3%	230.1%	138.7%
FY 2009	6.3%	16.0%	29.0%	32.7%
4-Year Run Rate	177.1%	187.3%	201.1%	106.0%
FY 2008	39.7%	38.9%	40.8%	32.4%
3-Year Run Rate	137.4%	148.4%	160.3%	73.6%
FY 2007	17.2%	16.1%	20.6%	38.8%
FY 2006	26.1%	24.0%	18.9%	9.6%
FY 2005	94.1%	108.3%	120.8%	25.2%

International - Media	Q1	Q2	Q3	Q4
5-Year Run Rate	101.1%	108.5%	117.6%	119.1%
FY 2009	6.0%	2.9%	21.5%	36.6%
4-Year Run Rate	95.1%	105.6%	96.1%	82.5%
FY 2008	33.8%	38.2%	23.7%	11.6%
3-Year Run Rate	61.3%	67.4%	72.4%	70.9%
FY 2007	31.1%	26.7%	33.4%	35.7%
FY 2006	13.0%	16.9%	20.3%	29.0%
FY 2005	17.2%	23.8%	18.7%	6.2%

International - Elect/Other	Q1	Q2	Q3	Q4
5-Year Run Rate	268.1%	278.1%	279.0%	266.2%
FY 2009	33.4%	44.4%	54.2%	68.4%
4-Year Run Rate	234.7%	233.7%	224.8%	197.8%
FY 2008	71.0%	67.9%	54.0%	31.8%
3-Year Run Rate	163.7%	165.8%	170.8%	166.0%
FY 2007	44.5%	40.5%	54.5%	67.7%
FY 2006	33.2%	45.5%	55.1%	62.4%
FY 2005	86.0%	79.8%	61.2%	35.9%

International - Other	Q1	Q2	Q3	Q4
4-Year Run Rate	528.8%	648.7%	685.8%	278.6%
FY 2009	18.8%	-7.7%	8.7%	28.6%
3-Year Run Rate	510.0%	656.4%	677.1%	250.0%
FY 2008	60.0%	136.4%	43.8%	40.0%
2-Year Run Rate	450.0%	520.0%	633.3%	210.0%
FY 2007	150.0%	120.0%	433.3%	150.0%
FY 2006	300.0%	400.0%	200.0%	60.0%
FY 2005				

Note: Includes FX

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