AMAZON.COM ANNOUNCES SECOND QUARTER SALES UP 41% TO $4.06 BILLION; 
SALES GROWTH ACCELERATES TO 31% IN MEDIA AND TO 58% IN ELECTRONICS AND 
OTHER GENERAL MERCHANDISE

SEATTLE—(BUSINESS WIRE)—July 23, 2008—Amazon.com, Inc. (NASDAQ: AMZN) today 
announced financial results for its second quarter ended June 30, 2008.

Operating cash flow was $1.09 billion for the trailing twelve months, compared with $0.89 billion for the 
trailing twelve months ended June 30, 2007. Free cash flow increased 16% to $0.82 billion for the trailing 
twelve months, compared with $0.70 billion for the trailing twelve months ended June 30, 2007.

Common shares outstanding plus shares underlying stock-based awards outstanding totaled 446 million 
on June 30, 2008, compared with 435 million a year ago.

Net sales increased 41% to $4.06 billion in the second quarter, compared with $2.89 billion in second 
quarter 2007. Excluding the $0.18 billion favorable impact from year-over-year changes in foreign 
exchange rates throughout the quarter, net sales grew 35% compared with second quarter 2007.

Operating income increased 86% to $217 million in the second quarter compared with $116 million in 
second quarter 2007. Excluding the $17 million favorable impact from year-over-year changes in foreign 
exchange rates throughout the quarter, operating income grew 71% compared with second quarter 2007. 
Included in the second quarter 2008 operating income is a $53 million non-cash gain recognized on the 
sale of our European DVD rental assets.

Net income increased 102% to $158 million in the second quarter, or $0.37 per diluted share, compared with 
net income of $78 million, or $0.19 per diluted share, in second quarter 2007.

"Customers continue to take advantage of our low prices, free shipping and Amazon Prime," said Jeff 
Bezos, founder and CEO of Amazon.com. "Amazon Prime membership costs less than a tank of gas – 
more and more customers are joining the program and enjoying its benefits."

Highlights

- Worldwide Media sales grew 31% to $2.41 billion in second quarter 2008, compared with $1.83 
  billion in second quarter 2007.
- Worldwide Electronics & Other General Merchandise sales grew 58% to $1.53 billion in second 
  quarter 2008, compared with $0.97 billion in second quarter 2007, and increased to 38% of 
  worldwide net sales compared with 34%.
- North America segment sales, representing the Company's U.S. and Canadian sites, were $2.17 
  billion, up 35% from second quarter 2007.
- International segment sales, representing the Company's U.K., German, Japanese, French and 
  Chinese sites, were $1.89 billion, up 47% from second quarter 2007, and increased to 47% of
worldwide net sales compared with 45%. Excluding the favorable impact from year-over-year changes in foreign exchange rates throughout the quarter, international sales grew 34%.

- Amazon.com customers can now take advantage of Bill Me Later, a new alternative payment method. Bill Me Later’s next-generation payments service provides customers another convenient payment option when shopping on Amazon.com.
- The Company acquired Fabric com, a leading online fabric store that offers custom measured and cut fabrics, as well as patterns, sewing tools and accessories.
- Amazon.co.jp launched Convenience Store Pickup Service, which offers customers the option to pick up their orders at any of the 8,500 Lawson stores throughout Japan.
- Over 400,000 developers have registered to use Amazon Web Services (AWS), up more than 30,000 from last quarter.
- AWS released a new family of instance types, the high CPU family. These instances have proportionally more CPU resources than RAM (compared to standard instances) and are well suited for compute-intensive applications such as rendering, search indexing and computational analysis.
- Amazon.com introduced a limited beta version of Amazon Video On Demand. The service lets customers rent or buy ad-free movies and television shows and watch them instantly within their web browser on Macs or PCs and through Sony BRAVIA television sets with the use of the Sony BRAVIA Internet Video Link.
- Kindle selection continued to grow with more than 140,000 titles available.

Financial Guidance

The following forward-looking statements reflect Amazon.com’s expectations as of July 23, 2008. Results may be materially affected by many factors, such as fluctuations in foreign exchange rates, changes in global economic conditions and consumer spending, world events, the rate of growth of the internet and online commerce and the various factors detailed below.

Third Quarter 2008 Guidance

- Net sales are expected to be between $4.200 billion and $4.425 billion, or to grow between 29% and 36% compared with third quarter 2007.
- Operating income is expected to be between $115 million and $160 million, or between 6% decline and 31% growth compared with third quarter 2007. This guidance includes approximately $80 million for stock-based compensation and amortization of intangible assets, and it assumes, among other things, that no additional business acquisitions or investments are concluded and that there are no further revisions to stock-based compensation estimates.

Full Year 2008 Expectations

- Net sales are expected to be between $19.35 billion and $20.10 billion, or to grow between 30% and 35% compared with 2007.
- Operating income is expected to be between $745 million and $920 million, or to grow between 14% and 40% compared with 2007. This guidance includes approximately $295 million for stock-based compensation and amortization of intangible assets, and it assumes, among other things, that no additional business acquisitions or investments are concluded and that there are no further revisions to stock-based compensation estimates.