



Amazon Announces 70 Percent Royalty Option for Kindle Digital Text Platform in the UK

October 6, 2010

Starting today, authors and publishers worldwide can earn more royalties from every Kindle book sold in the UK

October 06, 2010:

Amazon.co.uk today announced that the 70 percent royalty option for the Kindle Digital Text Platform (DTP) is now available in the UK. For each book sold from the Amazon.co.uk Kindle Store, authors and publishers can choose this option immediately and start earning a 70 percent royalty, net of delivery costs. The Kindle Digital Text Platform (<http://dtp.amazon.co.uk>) is a fast and easy tool which allows publishers and authors around the world to add their books and start selling in the UK Kindle Store (and Amazon's global Kindle Store on www.amazon.com) in minutes.

Delivery costs are based on file size, and pricing is set at £0.10/MB. At today's median DTP file size of 368KB, delivery costs would be less than £0.04 per unit sold. For example, on a £5.99 (VAT exclusive) book an author would make £2.10 with the standard option and £4.17 with the new 70 percent option. This new option will be in addition to and will not replace the existing DTP standard royalty option.

"The 70 percent royalty option for Kindle Digital Text Platform has been available for a few months for sales to US customers," said Greg Greeley, Amazon Vice President, European Retail. "We are excited to be able to announce the launch of the 70 percent royalty option in the UK. Now authors and publishers worldwide can offer more content to Kindle customers in the UK and make more money from the books they sell."

DTP authors and publishers are now able to select the royalty option that best meets their needs for books sold in the UK and US. Books receiving the 70 percent royalty will have access to all the same features and be subject to all the same requirements as books receiving the standard royalty rate. Under this royalty option, authors and publishers will earn 70 percent of the list price of their books, net of delivery costs. If we sell the book below the list price to match a competitor's price or the physical book price, the royalty will be calculated based on our sales price. In addition, to qualify for the 70 percent royalty option, books must satisfy the following set of requirements:

- The author or publisher-supplied list price must be between £1.49 and £6.99.
- The list price must be at least 20 percent below the lowest list price for the physical book.
- The title is made available for sale in all geographies for which the author or publisher has rights.
- The title will be included in a broad set of features in the Kindle Store, such as text-to-speech. This list of features will grow over time as Amazon continues to add more functionality to Kindle and the Amazon.co.uk Kindle Store.

The 70 percent royalty option is for in-copyright works only.

DTP is a fast and easy self-publishing tool that lets anyone upload and format their books for sale in the Amazon.co.uk Kindle Store (www.amazon.co.uk/kindlestore). To learn more about the Kindle Digital Text Platform in the UK, visit <http://dtp.amazon.co.uk> or e-mail dtp-support@amazon.com.

The all-new Kindle has an electronic-ink screen with 50 percent better contrast, a new sleek design with a 21 percent smaller body while still keeping the same 6-inch-size reading area, 17 percent lighter weight at just 241 grams, 20 percent faster page turns, up to one month of battery life with wireless off, double the storage to 3,500 books, no glare even in bright sunlight and built-in Wi-Fi—all for only £109. The all-new Kindle 3G with all of these new features plus the convenience of free 3G wireless is only £149.

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For further information please contact the Amazon.co.uk Ltd press office on 020 8636 9280.

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Forward-Looking Statements

This announcement contains forward-looking statements within the meaning of Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934. Actual results may differ significantly from management's expectations. These forward-looking statements involve risks and uncertainties that include, among others, risks related to competition, management of growth, new products, services and technologies, potential fluctuations in operating results, international expansion, outcomes of legal proceedings and claims, fulfillment center optimization, seasonality, commercial agreements, acquisitions and strategic transactions, foreign exchange rates, system interruption, inventory, government regulation and taxation, payments and fraud. 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.