



## **LOVEFiLM to Acquire Amazon's UK and German DVD Rental Business; Amazon to become largest shareholder of LOVEFiLM**

February 4, 2008

**Luxembourg, February 4, 2008:** Amazon.com (NASDAQ: AMZN) and LOVEFiLM International (www.lovefilm.com), today announced that LOVEFiLM will acquire Amazon's Europe's DVD rental business in the United Kingdom and Germany. As part of this transaction, Amazon Europe will also make a cash investment and become the largest shareholder in LOVEFiLM International Ltd., and finally, the two companies will enter into a multi-year marketing agreement in which Amazon Europe will promote LOVEFiLM's services on its sites for UK and German customers.

Completion of the deal is subject to regulatory approval in the UK and Germany. Following completion of this deal, the new LOVEFiLM subscriber base will total over 900,000 customers predominantly in the UK and Germany, but also in the Nordics (Sweden, Norway, and Denmark).

"As one of Europe's largest online DVD rental businesses, LOVEFiLM is well established to serve customers' increasing demand for entertainment," said Greg Greeley, Amazon's vice president of European retail. "Our investment will enable LOVEFiLM to grow the business further and we are excited to be part of their future."

Simon Calver, CEO of LOVEFiLM International said, "Customers are faced with an astonishing array of choices in the entertainment world these days. LOVEFiLM International will ensure that Amazon Europe's customers get the best possible DVD rental service. We will be delighted to welcome all Amazon Europe customers to the LOVEFiLM service. This new, bigger customer base will give us an even better position from which to build LOVEFiLM as the best place for customers to find film."

Amazon Europe will continue to operate the DVD rental business on behalf of LOVEFiLM for a period of time following the close of the transaction to ensure an efficient transition and smooth customer experience. No staff reductions are planned at Amazon's German or UK operations as a result of the business transfer.

### **About LOVEFiLM**

LOVEFiLM provides DVD rental subscription service in the UK, Sweden, Norway, Denmark and Germany. It offers a range of online DVD rental options in each country. These packages include unlimited and capped DVD rentals each month, free postage and no late fees.

LOVEFiLM UK offers over 65,000 unique titles (including games), cinema listings and ticket sales, as well as a fast-growing film download service.

LOVEFiLM's customers have access to movie news, reviews, trailers, editorial content and other community features, and have generated over 56 million film ratings and over 600,000 reviews.

LOVEFiLM has won the prestigious British Video Association's award for the UK's Best Rental Service in 2005, 2006 and 2007.

LOVEFiLM launched the first UK mass market movie download service to its UK subscriber base in December 2005. Customers can download-to-rent or download-to-own from a choice of over 2,500 titles. Short films and full-length feature films are available from major Hollywood studios including Universal, Fox, Warner Bros., Sony, Momentum and Icon.

Lovefilm launched its fast growing German service under a pilot with Deutsche Post and has most recently announced a white label partnership with one of Germany's leading cinema chains, UCI.

LOVEFiLM is actively supported by four of the leading venture capital firms in Europe - Arts Alliance Media, Balderton Capital, Index Ventures and DFJ Esprit.

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

### **About Amazon.co.uk**

Amazon.co.uk opened its virtual doors in October 1998, and strives to be the world's most customer-centric company, where customers can find and discover anything they might want to buy online. Amazon.co.uk and sellers list millions of new and used items in categories such as Books, Music, Video, DVD, Software, PC & Video Games, Electronics & Photo, Home & Garden, and Toys & Games!. Through Amazon Marketplace, zShops and Auctions any business or individual can sell virtually anything to Amazon.co.uk's millions of customers. Amazon.co.uk customers enjoy the benefits of industry-leading online-shopping technology, such as secure credit-card payment, personalised recommendations, streamlined, 1-Click® ordering and hassle-free Bid-Click® auction bidding. Through Amazon Anywhere, Amazon.co.uk is also available on mobile phones with WAP technology--see [www.amazon.co.uk/anywhere](http://www.amazon.co.uk/anywhere) for details.

Amazon.com and its affiliates operate seven websites: [www.amazon.com](http://www.amazon.com), [www.amazon.co.uk](http://www.amazon.co.uk), [www.amazon.de](http://www.amazon.de), [www.amazon.fr](http://www.amazon.fr), [www.amazon.co.jp](http://www.amazon.co.jp), [www.amazon.ca](http://www.amazon.ca), and [www.joyo.com](http://www.joyo.com).

As used herein, "Amazon.com," "we," "our" and similar terms include Amazon.com, Inc., and its subsidiaries, unless the context indicates otherwise.

**Forward-looking Statement**

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 potential future losses, significant amount of indebtedness, competition, management of growth, potential fluctuations in operating results, fulfillment center optimization, seasonality, commercial agreements, acquisitions, and strategic transactions, foreign exchange rates, system interruption, international expansion, consumer trends, inventory, 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, 2003, and all subsequent filings.