



## Amazon.co.uk announces Results For First Quarter 2000

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AMAZON.CO.UK ANNOUNCES RESULTS FOR FIRST QUARTER 2000

First Quarter Revenues Up 210 % Year-Over-Year Cumulative Customers Accounts Total Now Over 1.4 Million # 13 UK Web Property in the UK with 12.4% Reach in February 2000\* # 1 Retail site in the UK in February 2000\*

**LONDON, UK: 27 April 2000: 17.00** - Amazon.co.uk today announced that net sales for the first quarter of 2000 were £28.5 million, an increase of 210 percent over net sales of £9.2 million for the first quarter of 1999.

Amazon.co.uk also announced that more than 1.4 million customers have now shopped at Amazon.co.uk's Books, Music, DVD and Video stores or used its Auctions and zShops services. Nearly 400,000 new customers were added in the first three months of the year to 31 March 2000, an increase of 124 percent from first quarter 1999. Repeat customer orders represented 73 percent of orders in the first quarter, up from 50 percent on the first quarter of 1999.

In March 2000 Amazon.co.uk revealed a new DVD and Video store which provides the most comprehensive selection of DVD and Videos in the UK. The store offers over 22,000 VHS titles (almost every video available in the UK), plus all of the DVDs currently available in the UK. Additionally Amazon.co.uk launched Amazon.co.uk Anywhere. This offers for the first time in Europe fully functional Internet shopping from WAP-enabled mobile phones, bringing the convenience, safety and speed of wireless commerce to a wider audience.

Amazon (.com, .co.uk, .de) was ranked number 13 in the top UK web properties in February 2000, as measured by MMXI Europe. Amazon.co.uk was also the leading online retail site in the UK. One third of UK individuals who used retail sites in February used Amazon.co.uk or Amazon.com.

"We've had a truly excellent start to the new Millennium", commented Steve Frazier, managing director, Amazon.co.uk, "and our vision continues to be that we want to be the best place for customers to shop online. The arrival of our newly launched DVD and video store has delighted our customers and we hope the arrival of Amazon.Anywhere will continue to demonstrate Amazon.co.uk's commitment to fantastic selection, great price and outstanding customer service."

"Amazon.co.uk made terrific progress in the first quarter against our key business goals for 2000: customer growth, product and service expansion, operational excellence, global focus and driving towards profitability", said Diego Piacentini, Amazon.com senior vice president and general manager international.

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### NOTES TO EDITORS

1. Steve Frazier, managing director, Amazon.co.uk is available for comment 2. \*MMXI data February 2000 3. A webcast of Amazon.com's first quarter 2000 financial results conference call can be heard at [www.amazon.com](http://www.amazon.com).

About Amazon.co.uk Amazon.co.uk today offers more than 1.5 million books, CDs, DVDs and videos, hosts online auctions and provides a complete online storefront for individual merchants through its zShops. 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 also is available on mobile phones with WAP technology; look at [www.amazon.co.uk/anywhere](http://www.amazon.co.uk/anywhere) for details.

Amazon.co.uk is the trading name for Amazon.com Int'l Sales, Inc., and Amazon.com International Auctions, Inc., which are both wholly owned subsidiaries of Amazon.com, Inc. (NASDAQ: AMZN), the Internet's No. 1 book, No. 1 music and No. 1 video retailer, which opened its virtual doors on the World Wide Web in July 1995 and has already provided safe and convenient shopping to more than 17 million customers worldwide.

Historical results of operations are preliminary and unaudited. This press release also contains forward-looking statements, including statements regarding expectations of future pro-forma operating profitability in the U.S. Books, Music and DVD/Video segment and positive cash flow from operations, all of which are inherently difficult to predict. Actual results could differ materially for a variety of reasons, including the rate of growth of the Internet and online commerce, the amount that Amazon.com invests in new business opportunities and the timing of those investments, customer spending patterns, the mix of products sold to customers, the mix of revenues derived from products sales as compared to services, risks of inventory management, and risks of distribution and fulfillment throughput and productivity. Other risks and uncertainties include Amazon.com's limited operating history, anticipated losses, potential fluctuations in quarterly operating results, seasonality, consumer trends, competition, risks associated with distribution center expansion, adverse consequences arising from system interruptions, risks associated with management of potential growth, risks related to auction and zShops services, risks related to fraud and Amazon.com Payments, and risks of new business areas, international expansion, business combinations, and strategic alliances. 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, 1999.

## Note on Financial Presentation

Financial results are prepared in accordance with U.S. generally accepted accounting principles. Pro forma financial results exclude amortization of goodwill and other intangibles, equity in losses of equity-method investees, stock-based compensation costs and merger, acquisition and investment-related costs.

Organizations responsible for promulgating accounting standards are currently reviewing the financial statement classification of, and accounting for, fulfillment and order processing costs by a number of retailers, online and offline, including Amazon.com. Fulfillment costs included in marketing and sales expenses represent net credit card fees and those costs incurred in operating and staffing distribution and customer service centers, including costs attributable to receiving, inspecting and warehousing inventories; picking, packing and preparing customers' orders for shipment; and responding to inquiries from customers. The review by these accounting organizations may lead to new accounting standards that could require that some or all of our fulfillment and order processing costs be classified as cost of sales. These new standards could also require us to capitalize certain of our fulfillment and order processing costs in inventory. We currently expense these costs as incurred. We will adjust our accounting and classification of fulfillment and order processing costs if required by accounting organizations or by the SEC.

**For more information about Amazon.co.uk, please contact:**

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