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# Amazon invests in HomeGrocer.com

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**Online retailing giant Amazon.com today announced it is making a \$42.5 million investment in HomeGrocer.com, hoping to accelerate the online grocer's national rollout plans.**

[Amazon.com's](#) investment gives it a 35 percent stake in [HomeGrocer.com](#), which currently allows customers in the Seattle and Portland, Oregon, areas to order groceries online and have them delivered at home.

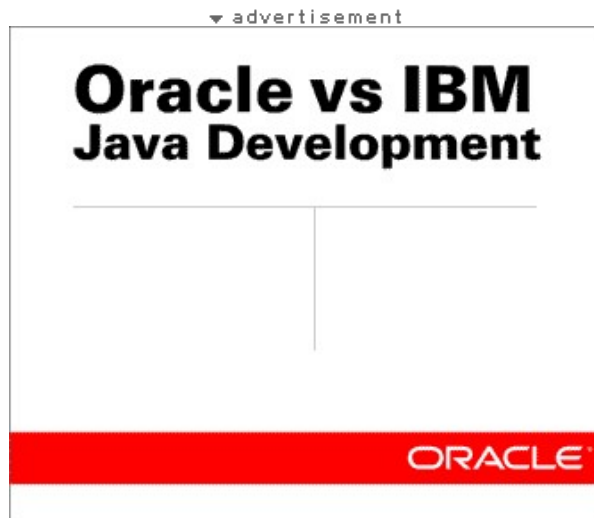
Over the past year, Amazon.com has expanded its offerings from being solely focused on books to selling music, videos, and a host of other e-commerce services, including person-to-person auctions services. Amazon.com also has several strategic investments in other e-commerce sites, including in [Pets.com](#) and online pharmacist [Drugstore.com](#).

Homegrocer.com was founded in 1998 and is funded by venture capital firm [Kleiner Perkins Caufield & Byers](#), which also holds stock in Amazon.

Former [Netscape](#) chief executive James Barksdale last month also invested about \$5 million in the privately held online grocery company.

As a result of the investment, David Risher, Amazon.com's senior vice president for product development, will serve on the HomeGrocer.com board of directors.

The 35 percent stake is based on shares issued and outstanding as of April 30, 1999, and is accounted for under the equity method of accounting.



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