

Amazon.com Inc.

HOLD (AMZN, \$735.59, \$750 PT)

AMAZON EARNINGS PREVIEW: "YOUR PROFIT IS MY OPPORTUNITY"

Haiku: The margin profile, for Amazon services, may compress in time.

Amazon shares may continue a pattern of volatility on earnings results, as investors expect the company to report its most profitable June quarter in company history, although we still expect net income margins to be a mere 1.7%. Shares have traded anywhere from 6% to 14% on earnings, with the stock trading up 4 of the last eight quarters.

Valuation:

We mention that if we take our 2017 revenue estimate of \$158 billion, and generously apply a 10% margin, followed by a 25% tax rate (also generous), and divide by the 487 million shares we estimate, this is \$24.33 in EPS. Using a stock price of \$735/share, that EPS gives a 30x multiple for a company that is growing revenue 16% YoY. The point of this exercise is to show that even if the company was able to obtain a 10% overall margin profile, one could view that the valuation is already reflected at current share price levels.

Amazon Web Service:

Regarding AWS, our estimates are revenue of \$2.7B with margin of 28%, revenue growth of 50% YoY and 9% of total revenue. We see risks to growth slowing and profitability being reduced via a combination of competition, price cuts and overall service commoditization. If one were to assign the value of Walmart to Amazon's retail operations, approximately \$228B, that would leave \$119B in value for Amazon's remaining businesses, which are primarily AWS. While we respect the growth and margin profile of AWS, it is subject to commoditization risk and a valuation of over \$100 billion at its current level seems more than reasonable. CEO Jeff Bezos is reported to have used the line "Your profit is my opportunity", and we mention that AWS competition may seek to flip this around on Mr. Bezos by using price as a lever to win business.

We estimate revenue for the June quarter to be \$29.2B, which is growth of 26% YoY and 0.2% sequentially. This compares to the consensus estimate of 29.6B. Our earnings per share estimate of \$1.05 compares to \$0.19 in the prior year and \$1.07 in the prior quarter. Consensus is \$1.11.

North America: We expect revenue from the North America segment to be at \$17.0B in the quarter for 58% of total, +24% YoY growth and segment operating income of \$869M. We expect Media to grow in North America at +24% YoY for 19% of North American revenue and EGM (electronics and other general merchandise) revenue to grow at 23% YoY, accounting for 80% of North American revenue.

International: We expect revenue from International segment to be \$9.4B in the quarter with a growth of 24% YoY. We expect Media revenue to grow 21% YoY to provide 27% of total, and EGM to grow at 25% YoY providing 72% of International revenue.

Media & EGM: We expect worldwide Media revenue to grow 23% YoY to \$6B for 20% of total revenue. EGM revenue estimated at \$20B, +24% YoY growth. This segment is the growth engine for the company and expected to account for 70% of total revenue.

Guidance-Q216: GAAP operating income in Q216 is a range from \$375 million to \$975 million. Revenue guidance is net sales between \$28.0B and \$30.5B (+21% to +32% YoY Growth).

Balance Sheet and Estimates. AMZN has \$16B in cash (\$32.97/share) and long-term debt of \$8B as of March 31, 2016. Cash flow from operations was a negative \$2B during the quarter. We increase our FY16 estimates and initiate FY17 estimates, maintain a HOLD rating and increase our price target to \$750 from \$625.



Company Data

Price (\$)	735.59
52-Week Range (\$)	451.00-757.34
Mkt Cap (\$B)	347.07
Price Target (\$)	750
Shares Outstanding (M)	481
Avg. vol. (3mo)	3,786,763

Colin W. Gillis

Technology Analyst / Director
cgillis@bgcpartners.com
646.346.7052 cell: 917.921.8616
BGC Financial L.P.

Amazon.com Inc.

	2015A	2016E	2017E
EPS Reported (\$)			
Q1 (Mar)	(0.12)	1.07A	1.02
Q2 (Jun)	0.19	1.05E	1.39
Q3 (Sep)	0.17	0.91E	1.38
Q4 (Dec)	1.00	2.64E	2.62
FY	1.25	5.67E	6.41
Bloomberg EPS FY (\$)	1.25	5.40E	10.03

Source: Company data, Bloomberg, BGC Financial estimates. Note: FY14 and FY15 estimates may include adjustment. FY total may not add up due to rounding. 'Bloomberg' above denotes Bloomberg consensus estimates.

	2015A	2016E	2017E
Revenue Reported (\$)			
Q1 (Mar)	22,717	29,128A	35,012
Q2 (Jun)	23,185	29,190E	34,970
Q3 (Sep)	25,358	30.937E	37,031
Q4 (Dec)	35,747	42,181E	51,377
FY	107,006	131,436E	158,390
Bloomberg Revenue FY (\$)	107,006	133,966E	162,263

Recommendation

We maintain our HOLD rating and increase our price target to \$750 from \$625 on shares of Amazon.com Inc.

Stock Performance

Amazon.com, Inc. (AMZN)	Q1/14	Q2/14	Q3/14	Q4/14	Q1/15	Q2/15	Q3/15	Q4/15	Q1/16
Date of Earnings Release	24-Apr-14	24-Jul-14	23-Oct-14	29-Jan-15	23-Apr-15	23-Jul-15	22-Oct-15	28-Jan-16	28-Apr-16
Stock Price on Date of Earning Release	337.15	358.61	313.18	311.78	389.99	482.18	563.91	635.35	602.00
Stock Price a Day after Earning Release	303.83	324.01	287.06	354.53	445.10	529.42	599.03	587.00	659.59
%Change	-9.9%	-9.6%	-8.3%	13.7%	14.1%	9.8%	6.2%	-7.6%	9.6%

Source: MSN and BGC Financial

Colin W. Gillis

Technology Analyst / Director
cgillis@bgcpartners.com
646.346.7052 cell: 917.921.8616
BGC Financial L.P.

Short Interest

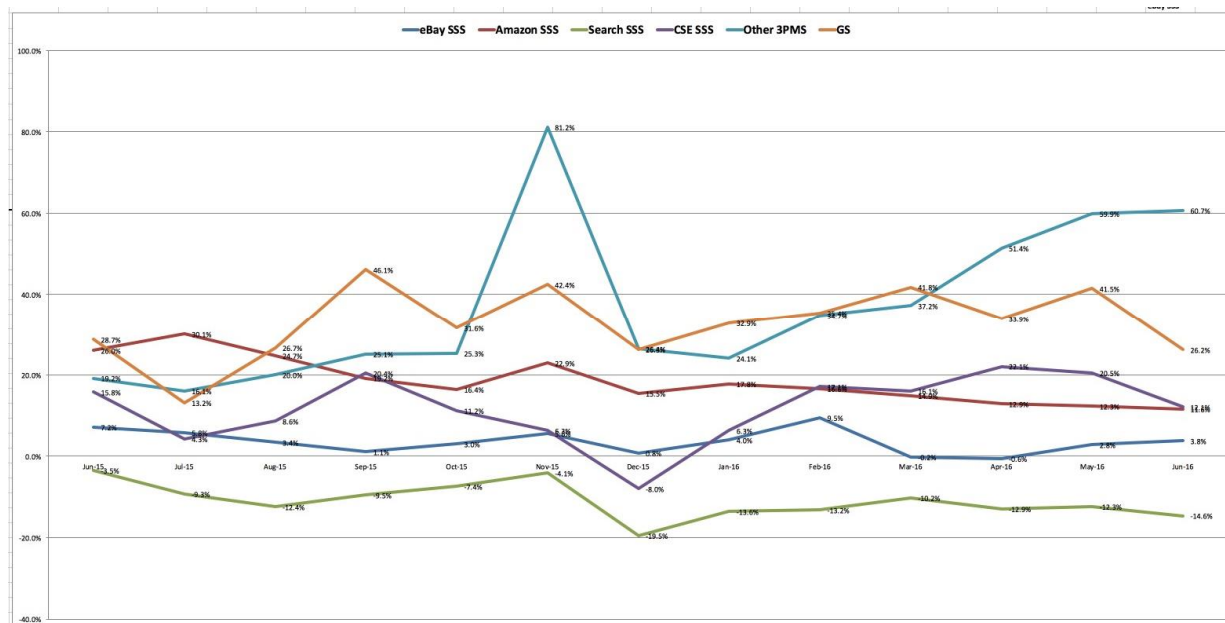
Settlement Date	Short Interest	Average Daily Share Volume	Days to Cover
7/15/2016	5,412,829	3,414,111	1.59
6/30/2016	5,166,751	3,919,064	1.32
6/15/2016	5,136,091	2,863,500	1.79
5/31/2016	5,199,056	3,454,672	1.50
5/13/2016	6,143,298	5,262,565	1.17
4/29/2016	5,629,841	4,618,934	1.22
4/15/2016	6,448,670	2,936,943	2.20
3/31/2016	6,563,754	4,470,936	1.47
3/15/2016	6,811,015	4,076,897	1.67
2/29/2016	6,967,738	4,905,358	1.42
02/12/2016	5,928,547	7,521,689	1.00
1/29/2016	5,896,517	7,207,148	1.00
1/15/2016	4,889,197	6,534,760	1.00
12/31/2015	4,783,499	3,728,157	1.28
12/15/2015	5,136,031	4,474,463	1.15
11/30/2015	5,529,329	4,411,455	1.25
11/13/2015	7,078,599	4,319,125	1.64
10/30/2015	6,752,625	4,966,176	1.36
10/15/2015	6,852,066	3,874,401	1.77
9/15/2015	8,203,572	3,341,921	2.45
8/31/2015	6,390,982	4,735,627	1.35
8/14/2015	4,982,480	3,082,745	1.62
7/31/2015	5,094,948	6,227,085	1.00
7/15/2015	5,801,062	2,742,391	2.12
6/30/2015	5,404,986	2,753,523	1.96
6/15/2015	5,289,595	2,248,455	2.35

Source: www.nasdaqtrader.com

Channel Advisor Metrics

Channel Advisor Same Store Sales (SSS) – June 2015 through June 2016

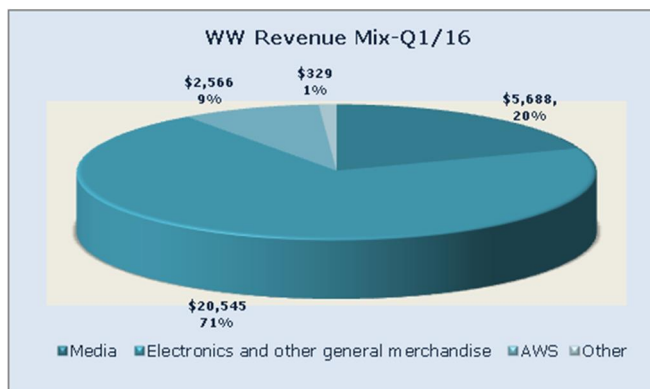
Same Store Sales for EBay were down at 3.8% in June 2016 compared to 7.2% in June 2015. Amazon had Same Store Sales of 11.6% in May 2016 compared to 26.0% in June 2015



Source: Channeladvisors.com

March Quarter Metrics – WW Revenue Mix

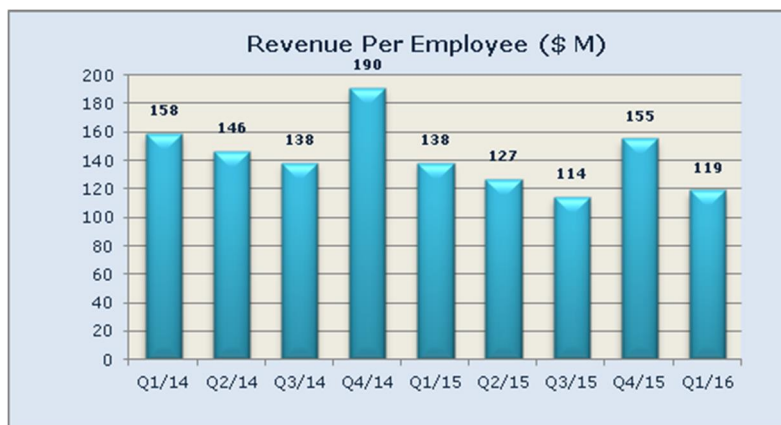
Amazon's worldwide revenue grew 20% YoY in Q116. Media formed 20% of worldwide revenue while EGM contributed 71% to total revenue



Source: Company Documents and BGC Financial

Revenue Per Employee

Revenue per employee decreased during the recent quarter for Amazon. Revenue per employee was \$119,000 in Q1/16.



Key Metrics Review

Revenue	Q1 / 15	Q2 / 15	Q3 / 15	Q4 / 15	Q1 / 16	Q2 / 16 E	Q3 / 16 E	Q4 / 16 E
Revenue	22,717	23,185	25,358	35,747	29,128	29,190	30,937	42,181
Y/Y Growth Rate	15%	20%	23%	22%	28%	26%	22%	18%
Q/Q Growth Rate	-23%	2%	9%	41%	-19%	0%	6%	36%
North America	13,406	13,796	15,006	21,501	16,996	17,047	18,098	24,761
As % of Revenues	59%	60%	59%	60%	58%	58%	59%	59%
Y/Y Growth Rate	24%	25%	28%	24%	27%	24%	21%	15%
Q/Q Growth Rate	-23%	3%	9%	43%	-21%	0%	6%	37%
International	7,745	7,565	8,267	11,841	9,566	9,399	9,915	14,342
As % of Revenues	34%	33%	33%	33%	33%	32%	32%	34%
Y/Y Growth Rate	-2%	3%	7%	12%	24%	24%	20%	21%
Q/Q Growth Rate	-27%	-2%	9%	43%	-19%	-2%	5%	45%
AWS	1,566	1,824	2,085	2,405	2,566	2,744	2,924	3,079
As % of Revenues	7%	8%	8%	7%	9%	9%	9%	7%
Y/Y Growth Rate	49%	81%	78%	69%	64%	50%	40%	28%
Q/Q Growth Rate	10%	16%	14%	15%	7%	7%	7%	5%
Media	5,289	4,714	5,283	7,223	5,688	5,777	6,116	8,577
As % of Revenues	23%	20%	21%	20%	20%	20%	20%	20%
Y/Y Growth Rate	-3%	-3%	1%	4%	8%	23%	16%	19%
Q/Q Growth Rate	-24%	-11%	12%	37%	-21%	2%	6%	40%
EGM	15,628	16,412	17,741	25,816	20,545	20,320	21,527	30,011
As % of Revenues	69%	71%	70%	72%	71%	70%	70%	71%
Y/Y Growth Rate	20%	24%	27%	25%	31%	24%	21%	16%
Q/Q Growth Rate	-24%	5%	8%	46%	-20%	-1%	6%	39%
Other	234	235	249	303	329	350	371	515
As % of Revenues	1%	1%	1%	1%	1%	1%	1%	1%
Y/Y Growth Rate	13%	10%	17%	-5%	41%	49%	49%	70%
Q/Q Growth Rate	-27%	0%	6%	22%	9%	6%	6%	39%

Source: Company Documents and BGC Financial

Cost	Q1 / 15	Q2 / 15	Q3 / 15	Q4 / 15	Q1 / 16	Q2 / 16 E	Q3 / 16 E	Q4 / 16 E
Cost of Revenues	15,395	15,160	16,755	24,341	18,866	19,265	20,480	28,683
As % of Revenues	68%	65%	66%	68%	65%	66%	66%	68%
Marketing	1,083	1,150	1,264	1,755	1,436	1,372	1,392	1,687
As % of Revenues	5%	5%	5%	5%	5%	5%	5%	4%
Fulfillment	2,759	2,876	3,230	4,546	3,687	3,678	3,805	5,146
As % of Revenues	12%	12%	13%	13%	13%	13%	12%	12%
Technology and content	2,754	3,020	3,197	3,571	3,526	3,269	3,712	3,754
As % of Revenues	12%	13%	13%	10%	12%	11%	12%	9%
General and administrative	427	467	463	390	497	555	588	675
As % of Revenues	2%	2%	2%	1%	2%	2%	2%	2%

Source: Company Documents and BGC Financial

Colin W. Gillis

Technology Analyst / Director
cgillis@bgcpartners.com
646.346.7052 cell: 917.921.8616
BGC Financial L.P.

Balance Sheet and Cash flow

Amazon has \$16B in cash (\$32.97/share) and long-term debt of \$8B as on March 31, 2016. Cash flow from operations was a negative \$2B during the quarter.

Estimates and Valuation

We increase our 2016 estimates to:

\$5.67 in GAAP EPS and \$131.4B in net revenue

From

\$4.86 in GAAP EPS and \$127.9B in net revenue.

Our estimates compare to consensus of \$5.40 in EPS and \$134.0B in revenue.

We initiate our 2017 estimates with:

\$6.41 in GAAP EPS and \$158.4B in net revenue

Our estimates compare to consensus of \$10.03 in EPS and \$162.3B in revenue.

Our FY17 revenue estimates represents a growth of 21% YoY, and EPS YoY growth of 13% and Operating Margin estimate at 3.5%

Based on our \$6.41 estimate for calendar 2017 EPS and using a 117x multiple, we determine a 12-month price target of \$750 for AMZN. We maintain our HOLD rating on shares of Amazon Inc. Investors value Amazon based on expectations of future profitability that may or may not materialize.

Risks

Competition: Amazon faces competition from various industries like retail, e-commerce services, digital and web services. These competitors have longer histories, greater resources and brand recognition and more customers, and are capable of adopting aggressive pricing, securing better terms from vendors and employing more resources for technology, fulfillment and marketing.

Expansion: The company is witnessing significant expansion in its global operations which has increased the complexity of the business. This expansion also leads to strain on management, growth, financial, operational and other resources and also subjects the company to additional legal, financial and business risks.

Fulfillment Centers: It is very important for the company to predict customer demand and optimize and operate its fulfillment centers successfully, otherwise it could result in excess or insufficient inventory or fulfillment capacity, increased costs and impairment charges. This could harm the business.

Seasonality: The seasonal nature of the business puts a strain on the operations of the company. A net sale in the

Colin W. Gillis

Technology Analyst / Director
cgillis@bgcpartners.com
646.346.7052 cell: 917.921.8616
BGC Financial L.P.

fourth quarter is disproportionate which leads to inventory, gross profits, net shipping costs and accounts payable being adversely affected.

Foreign Exchange Risk: The company has significant foreign exchange risk associated with its international websites, which affects operating results. Further expansion in international operations increases exposure to exchange rate fluctuations.

For additional risks, see the AMZN 10-K filing with the SEC.

Disclosures Appendix

Analyst Certification

The analyst primarily responsible for this research report, and whose name appears on the front cover, certifies that: (i) all of the views expressed in this research report accurately reflects his or her personal views about any and all of the subject securities or issuers featured in this report; and (ii) no part of any of the research analyst's compensation was, is, or will be, directly or indirectly related to the specific recommendations or views expressed by the research analyst in this report.

Legal Disclosures

Investment banking (next 3 months): BGC Financial LP and/or its affiliates, expect to receive, or intend to seek, compensation for investment banking services within the next three months from all of the companies referenced within this report.

Lead or Co-manager: BGC Financial LP and/or its affiliates, has not acted as lead or co-manager in a public offering of equity and/or debt securities for Microsoft within the last 12 months. BGC Financial LP and/or its affiliates has not received compensation for investment banking services in the last 12 months from Microsoft.

BGC Financial LP's rating system

BUY: We have a positive outlook on the stock based on our expected 12 month return relative to its risk. The expected return is based on our view of the company and industry fundamentals, catalysts, and valuation. We recommend investors add to their position.

HOLD: We have a neutral outlook on the stock based on our expected 12 month return relative to its risk. The expected return is based on our view of the company and industry fundamentals, catalysts, and valuation.

SELL: We have a negative outlook on the stock based on our expected 12 month return relative to its risk. The expected return is based on our view of the company and industry fundamentals, catalysts, and valuation. We recommend investors reduce their position.

NC: Not Covered. BGC Financial LP does not provide an investment opinion or does not provide research coverage on this stock.

Colin W. Gillis

Technology Analyst / Director
cgillis@bgcpartners.com
646.346.7052 cell: 917.921.8616
BGC Financial L.P.

Other Disclosures

This report is for informational purposes only and is based on publicly available data believed to be reliable, but no representation is made that such data are accurate or complete. Opinions and projections contained herein reflect our opinion as of the date of this report and are subject to change. Pursuant to BGC Financial LP's policy, the author of this report does not own shares in any company he/she covers.

Additional material for UK investors

This material is approved for distribution in the United Kingdom by Cantor Fitzgerald Europe ("CFE"). CFE is authorised and regulated by the Financial Conduct Authority ("FCA"). While we believe this information and the materials upon which this information was based is accurate, except for any obligations under the rules of the FCA, we do not guarantee its accuracy. This material is only intended for use by eligible counterparties or professional clients who fall within articles 19 or 49 of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2001 and not the general investing public. None of the investments or investment services mentioned or described herein are available to other persons in the U.K and in particular are not available to "retail clients" as defined by the rules of the FCA.

Disclosure for Canadian Institutional Investors

This research report was prepared by analysts of BGC Financial LP and not by BGC Canada Securities Corporation. As a result this report has not been prepared subject to Canadian Disclosure requirements. BGC Canada Securities Corporation itself does not issue research reports but may distribute research reports prepared by its affiliates.

Risks

The financial instruments discussed in this report may not be suitable for all investors and investors must make their own investment decisions based on their specific investment objectives. Past performance should not be taken as an indication or guarantee of future performance. The price, value of and income from, any of the financial instruments featured in this report can rise as well as fall and be affected by changes in economic, financial and political factors. If a financial instrument is denominated in a currency other than the investor's currency, a change in exchange rates may adversely affect the price or value of, or income derived from, the financial instrument, and such investors effectively assume currency risk. In addition, investors in securities such as ADRs, whose value is affected by the currency of the home market of the underlying security, effectively assume currency risk.

Disclosures Appendix

Distribution of Ratings/Investment Banking Services (IB) as of 07/27/2016 BGC

Rating	Count	Percent	IB Serv./Past 12 Mos.	
			Count	Percent
BUY [B]	4	50.0	0	0
HOLD [H]	3	37.5	0	0
SELL [S]	1	12.5	0	0

Price Target and Ratings Changes

Amazon.com Inc.



Amazon.com Inc (AMZN)		Guidance : Second Quarter 2016: Net sales - \$28.0 billion and \$30.5 billion, YoY Growth 21% and 32% Operating income (loss): \$375 million and \$975 million Stock based compensation+ amortization intangibles -\$825 million												Cash&eqv. \$15,859 Cash / share \$32.97 LT Debt \$8,219 As of: March 31, 2016			
	2015 by Quarter				2016 by Quarter				2017 by Quarter				Calendar Year				
	Q1/15	Q2/15	Q3/15	Q4/15	Q1/16	Q2/16E	Q3/16E	Q4/16E	Q1/17E	Q2/17E	Q3/17E	Q4/17E	2014	2015	2016E	2017E	
Net Revenues	22,717	23,185	25,358	35,747	29,128	29,189.9	30,936.8	42,181.5	35,011.9	34,969.5	37,031.3	51,377.0	88,988	1,07,006	1,31,436.1	1,58,389.7	
Net product sales	17,084	17,104	18,463	26,618	20,581	20,724.8	25,058.8	31,214.3	24,508.3	24,478.7	25,921.9	35,963.9	70,080	79,268	97,578.9	1,10,872.8	
Net services sales	5,633	6,081	6,895	9,129	8,547	8,465.1	5,878.0	10,967.2	10,503.6	10,490.9	11,109.4	15,413.1	18,908	27,738	33,857.2	47,516.9	
Cost of sales	15,395	15,160	16,755	24,341	18,866	19,265.3	20,480.1	28,683.4	23,703.0	23,674.4	25,181.3	34,730.9	62,752	71,651	87,294.9	1,07,289.5	
Gross profit	7,322	8,025	8,603	11,406	10,262	9,924.6	10,456.6	13,498.1	11,308.8	11,295.2	11,850.0	16,646.2	26,236	35,355	44,141.3	51,100.2	
Operating expenses																	
Fulfillment	2,759	2,876	3,230	4,546	3,687	3,677.9	3,805.2	5,146.1	4,201.4	3,881.6	4,073.4	5,651.5	10,766	13,410	16,316.3	17,808.0	
Marketing	1,083	1,150	1,264	1,755	1,436	1,371.9	1,392.2	1,687.3	1,400.5	1,398.8	1,481.3	2,055.1	4,332	5,254	5,887.3	6,335.6	
Technology and content	2,754	3,020	3,197	3,571	3,526	3,269.3	3,712.4	3,754.1	3,991.4	3,986.5	4,221.6	5,857.0	9,275	12,540	14,261.8	18,056.4	
General and administrative	427	467	463	390	497	554.6	587.8	674.9	700.2	699.4	740.6	822.0	1,552	1,747	2,314.3	2,962.3	
Other operating expense, net	44	48	43	36	45	87.6	92.8	84.4	70.0	104.9	111.1	102.8	133	171	309.7	388.8	
Total operating expenses	7,067	7,561	8,197	10,298	9,191	8,961.3	9,590.4	11,346.8	10,363.5	10,071.2	10,628.0	14,488.3	26,058	33,122	39,089.5	45,551.0	
Income from operations	255	464	406	1,108	1,071	963.3	866.2	2,151.3	945.3	1,223.9	1,222.0	2,157.8	178	2,233	5,051.8	5,549.1	
Interest income, net	-104	12	-103	-102	-96	(75.0)	(75.0)	(75.0)	(75.0)	(75.0)	(75.0)	(75.0)	-171	-297	-321.0	-300.0	
Other income, net	-130	-114	-56	-68	81	(105.0)	(105.0)	(105.0)	(105.0)	(105.0)	(105.0)	(105.0)	-118	-368	-234.0	-420.0	
Income before income taxes	21	362	247	938	1,056	783.3	686.2	1,971.3	765.3	1,043.9	1,042.0	1,977.8	-111	1,568	4,496.8	4,829.1	
Provision for income taxes (income)	71	266	161	453	475	274.1	240.2	689.9	267.9	365.4	364.7	692.2	167	950	1,679.3	1,690.2	
Equity-method investment activity, net of tax	-7	-4	-7	-3	-68	-5.0	-5.0	-5.0	-5.0	-5.0	-5.0	-5.0	37	-22	-83.0	-20.0	
Net income	-57	92	79	482	513	504.1	441.0	1,276.3	492.5	673.6	672.3	1,280.6	-241	596	2,734.5	3,118.9	
Stock compensation	407	563	544	606	544	600.0	600.0	600.0	580.0	600.0	600.0	600.0	1,530	2,120	2,344.0	2,380.0	
GAAP EPS Reported - diluted	(\$0.12)	\$0.19	\$0.17	\$1.00	\$1.07	\$1.05	\$0.91	\$2.64	\$1.02	\$1.39	\$1.38	\$2.62	(\$0.52)	\$1.25	\$5.67	\$6.41	
Shares used in per share calculation- diluted	465	476	478	481	481	482.0	483.0	484.0	485.0	486.0	487.0	488.0	462	477	483	487	
Margins on Revenue																	
Gross margin	32%	35%	34%	32%	35%	34.0%	33.8%	32.0%	32.3%	32.3%	32.0%	32.4%	29%	33%	33.6%	32.3%	
Cost of sales	68%	65%	66%	68%	65%	66.0%	66.2%	68.0%	67.7%	67.7%	68.0%	67.6%	71%	67%	66.4%	67.7%	
Fulfillment	12%	12%	13%	13%	13%	12.6%	12.3%	12.2%	12.0%	11.1%	11.0%	11.0%	12%	13%	12.4%	11.2%	
Marketing	5%	5%	5%	5%	5%	4.7%	4.5%	4.0%	4.0%	4.0%	4.0%	4.0%	5%	5%	4.5%	4.0%	
Technology and content	12%	13%	13%	10%	12%	11.2%	12.0%	8.9%	11.4%	11.4%	11.4%	11.4%	10%	12%	10.9%	11.4%	
General and administrative	2%	2%	2%	1%	2%	1.9%	1.9%	1.6%	2.0%	2.0%	2.0%	1.6%	2%	2%	1.8%	1.9%	
Other operating expense, net	0%	0%	0%	0%	0%	0.3%	0.3%	0.2%	0.2%	0.3%	0.3%	0.2%	0%	0%	0.2%	0.2%	
Stock compensation	2%	2%	2%	2%	2%	2.1%	1.9%	1.4%	1.7%	1.7%	1.6%	1.2%	2%	2%	1.8%	1.5%	
EBITDA S	9%	11%	10%	10%	12%	10.8%	9.8%	10.3%	8.9%	9.7%	9.2%	8.4%	7%	10%	10.6%	9.0%	
Operating Margin	1%	2%	2%	3%	4%	3.3%	2.8%	5.1%	2.7%	3.5%	3.3%	4.2%	0%	2%	3.8%	3.5%	
Pretax Income	0%	2%	1%	3%	4%	2.7%	2.2%	4.7%	2.2%	3.0%	2.8%	3.8%	0%	1%	3.4%	3.0%	
Tax Rate	338%	73%	65%	48%	45%	35.0%	35.0%	35.0%	35.0%	35.0%	35.0%	35.0%	-150%	61%	37.3%	35.0%	
Net Income	0%	0%	0%	1%	2%	1.7%	1.4%	3.0%	1.4%	1.9%	1.8%	2.5%	0%	1%	2.1%	2.0%	
% Changes Q/Q																	
Total Revenues	-23%	2%	9%	41%	-19%	0.2%	6.0%	36.3%	-17.0%	-0.1%	5.9%	38.7%	na	na	na	na	
% Changes Year/Year																	
Net product sales	9%	12%	15%	15%	20%	21.2%	35.7%	17.3%	19.1%	18.1%	3.4%	15.2%	15%	13%	23.1%	13.6%	
Net services sales	40%	49%	51%	47%	52%	39.2%	-14.8%	20.1%	22.9%	23.9%	89.0%	40.5%	40%	47%	22.1%	40.3%	
Total Revenues	15%	20%	23%	22%	28%	25.9%	22.0%	18.0%	20.2%	19.8%	19.7%	21.8%	20%	20%	22.8%	20.5%	
EBITDA S	41%	70%	136%	46%	65%	24.0%	19.3%	24.8%	-9.3%	8.3%	11.7%	0.2%	25%	66%	31.2%	2.2%	
Operating Income	1%	2%	2%	3%	4%	3.3%	2.8%	5.1%	2.7%	3.5%	3.3%	4.2%	-76%	1154%	126.2%	9.8%	
Pretax Income	-83%	NM	NM	119%	4929%	116.4%	177.8%	110.2%	-27.5%	33.3%	51.8%	0.3%	-122%	-1513%	186.8%	7.4%	
Net Income	NM	NM	NM	125%	NM	448.0%	458.3%	164.8%	-4.0%	33.6%	52.4%	0.3%	-188%	-347%	358.8%	14.1%	
EBITDA S	2,088	2,531	2,549	3,466	3,442	3,138.3	3,041.2	4,326.3	3,120.3	3,398.9	3,397.0	4,332.8	6,420	10,634	13,947.8	14,249.1	
July 27, 2016																	
Source: Company reports and BGC Financial																	

Source: Company Documents and BGC Financial

Amazon.com Inc (AMZN)													
Balance Sheet (In Millions)													
	2014 by Quarter				2015 by quarter				2016 by quarter	Calendar Year			
	1Q14	2Q14	3Q14	4Q14	1Q15	2Q15	3Q15	4Q15	1Q16				
	Mar 31 2014	Jun 30 2014	Sep 30 2014	Dec 31 2014	March 31, 2015	Jun 30 2015	Sep 30 2015	Dec 31 2015	Mar 31 2016	Dec 31 2012	Dec 31 2013	Dec 31 2014	Dec 31 2015
Assets													
Current assets:													
Cash and cash equivalents	5,074	5,057	5,258	14,557	10,237	10,269	10,709	15,890	12,470	8,084	8,658	14,557	15,890
Marketable securities	3,592	2,929	1,625	2,859	3,544	3,732	3,719	3,918	3,389	3,364	3,789	2,859	3,918
Inventories	6,716	6,644	7,316	8,299	7,369	7,470	8,981	10,243	9,582	6,031	7,411	8,299	10,243
Accounts receivable, net and other	3,945	4,125	4,373	5,612	4,772	4,920	5,440	5,654	5,072	3,364	4,767	5,612	5,654
Deferred tax assets	0	0	0	0	0	0	0	0	0	453	0	0	0
Total Current Assets:	19,327	18,755	18,572	31,327	25,922	26,391	28,849	35,705	30,513	21,296	24,625	31,327	35,705
Fixed assets, net	12,267	14,089	15,702	16,967	17,736	19,479	20,636	21,838	23,308	7,060	10,949	16,967	21,838
Deferred tax assets	0	0	0	0	0	0	0	0	0	123	0	0	0
Goodwill	2,653	2,677	3,332	3,319	3,491	3,523	3,529	3,759	3,785	2,552	2,655	3,319	3,759
Other Assets	2,117	2,377	2,813	2,892	2,926	3,047	3,216	3,445	3,522	1,524	1,930	2,892	3,445
Total Assets	36,364	37,898	40,419	54,505	50,075	52,440	56,230	64,747	61,128	32,555	40,159	54,505	64,747
Liabilities and Stockholder's Equity													
Current liabilities:													
Accounts payable	10,590	10,457	11,811	16,459	11,917	12,391	14,437	20,397	14,990	13,318	15,133	16,459	20,397
Accrued expenses and other	6,251	6,688	7,217	9,807	8,840	8,959	9,157	10,372	9,431	5,684	6,688	9,807	10,372
Current portion of long-term debt	1,516	1,606	1,814	1,823	2,420	2,562	3,063	3,118	3,766	0	1,159	1,823	3,118
Total Current Liabilities	18,357	18,751	20,842	28,089	23,177	23,912	26,657	33,887	28,187	19,002	22,980	28,089	33,887
Long-term debt	3,147	3,119	3,099	8,265	8,257	8,250	8,243	8,227	8,219	0	3,191	8,265	8,227
Other long-term liabilities	4,532	5,426	6,142	7,410	7,768	8,510	8,900	9,249	9,966	2,277	4,242	7,410	9,249
Total liabilities	26,036	27,296	30,083	43,764	39,202	40,672	43,800	51,363	46,372	24,363	30,413	43,764	51,363
Total stockholders' equity	10,328	10,602	10,336	10,741	10,873	11,768	12,430	13,384	14,756	8,192	9,746	10,741	13,384
Total liabilities and stockholders' equity	36,364	37,898	40,419	54,505	50,075	52,440	56,230	64,747	61,128	32,555	40,159	54,505	64,747

Source: Company Documents and BGC Financial