

Amazon.com Inc.

HOLD (AMZN, \$396.44)

AMAZON EARNINGS PREVIEW: GASP- GROWTH AT A SPECTACULAR PRICE.

Haiku: Less than one penny, for every dollar of sales, falls to net income.

Amazon reports December quarter results on Thursday January 30 postmarket. We expect the company to post a revenue growth of 21.4% YoY, its slowest revenue growth in the last 12 quarters. We expect revenue growth in 2013 decelerates to 22.2% from 26.3% in 2012, and mildly declines again in 2014. While we are fan of stocks that produce growth and have a reasonable valuation (GARP), and we can also understand the valuations paid for hyper growth companies that are nascent and chasing large markets, we see that Amazon is exhibiting slowing growth – at a spectacular price valuation, a combination we coyly call GASP. Amazon has the 17th largest valuation of the S&P500 index at \$176 billion, which we mention as we see the upside is becoming more limited. The company has the largest P/E ratio at 1,415x earnings for companies in the US with a market capitalization above 25 billion. The second company is Adobe at factor lower with a P/E of 100.4x. However, Amazon is ranked 18th in revenue growth using the same criteria of US listed companies with capitalization of \$25 billion or more. We see that the price investors are paying is expensive for the current level of revenue growth given the uncertainty around the degree of leverage that the company may be able to achieve. That said, we also understand the view that Amazon is going to be the next Wal-Mart, the 8th largest company on a US listed exchange, and a company that is valued at a market cap 37% above Amazon. However it may take years for Amazon to grow into this valuation fully.

We estimate revenue for the December quarter to be \$25.8B, which is growth of 21.4% YoY. Our revenue estimate compares to consensus estimates of \$26B. Our EPS of \$0.54 compares to \$0.21 in the prior year and -\$0.09 in the prior quarter and is below consensus EPS of \$0.67.

Metric estimates. We estimate North America net sales of \$15.5B (+27.2% YoY) in the December quarter, which form 60% of revenue. North America segment operating margin is estimated at 3.2%. We estimate International net sales of \$10.3B (+13.6% YoY) in the December quarter, which form 40% of revenue. International segment operating margin is estimated at 0.5%. Media revenue is estimated at \$7.6B (+16.8% YoY, 29.5% of revenue) and EGM at \$16.6B (+19.8% YoY, 64.6% of revenue). The revenue per employee has been dropping for Amazon in the last few quarters. We estimate worldwide shipping revenue of \$840M, worldwide net shipping costs of \$1.18B (4.6% of worldwide net sales) in Q413.

Guidance: The company's forward guidance for GAAP operating income or loss in Q4 2013 is a range from a loss of \$500M to an income of \$500M. Revenue guidance from the company is net sales between \$23.5B and \$26.5B (+10% to +25%). Stock-based compensation and amortization of intangible assets is expected to be \$350M.

Shipping Losses: Worldwide shipping costs were 4.7% of net revenue compared to 4.6% in the previous quarter and 4.6% in the third quarter of 2012. Shipping losses continue to be an issue for the company facing razor thin profitability, but it is a mild positive that losses have stabilized as percent of total revenue in the last two quarters.

Balance Sheet: Amazon has \$7.6B in cash (\$16.82 / share) and \$3B long-term debt as of September 30, 2013. Cash flow from operations was \$1.3B in the September quarter. We increase our FY13 estimates and change our target to \$365 from \$320 but maintain our HOLD rating.

PRICE PERFORMANCE CHART



Source: finance.yahoo.com

Company Data

Price (\$)	396.44
52-Week Range (\$)	245.75 - 408.06
Mkt Cap (\$B)	180.54
Price Target (\$)	365
Shares Outstanding (M)	457.0
Avg. vol. (3mo)	2,742,740

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Amazon.com Inc.

	2012A	2013E	2014E
EPS Reported (\$)			
Q1 (Mar)	0.28	0.18	0.36
Q2 (Jun)	0.01	-0.02	0.38
Q3 (Sep)	-0.60	-0.09	0.41
Q4 (Dec)	0.21	0.54	1.24
FY	-0.09	0.61	2.40
Bloomberg EPS FY (\$)	-0.09	0.77	2.70

	2012A	2013E	2014E
Revenue Reported (\$)			
Q1 (Mar)	13,185	16,070	19,589
Q2 (Jun)	12,834	15,704	19,175
Q3 (Sep)	13,806	17,092	20,784
Q4 (Dec)	21,268	25,819	31,629
FY	61,093	74,685	91,176
Bloomberg Revenue FY (\$)	61,093	73,701	91,608

Source: Company data, Bloomberg, BGC Financial estimates. Note: F13 and FY14 estimates may include adjustment. FY total may not add up due to rounding. 'Bloomberg' above denotes Bloomberg consensus estimates.

Recommendation

We maintain our HOLD rating and increase our price target to \$365 from \$320.

Stock Performance

Amazon.com, Inc. (AMZN)	Q3/11	Q4/11	Q1/12	Q2/12	Q3/12	Q4/12	Q1/13	Q2/13	Q3/13
Date of Earnings Release	25-Oct-11	31-Jan-12	26-Apr-12	26-Jul-12	26-Oct-12	29-Jan-13	25-Apr-13	25-Jul-13	24-Oct-13
Stock Price on Date of Earnings Release	227.15	194.44	195.99	220.01	238.24	260.35	274.70	303.40	332.21
Stock Price a Day After Earnings Release	198.40	179.46	226.85	237.32	232.89	272.76	254.81	312.01	363.39
% Change	-12.7%	-7.7%	15.7%	7.9%	-2.2%	4.8%	-7.2%	2.8%	9.4%

Source: MSN and BGC Financial

Short Interest

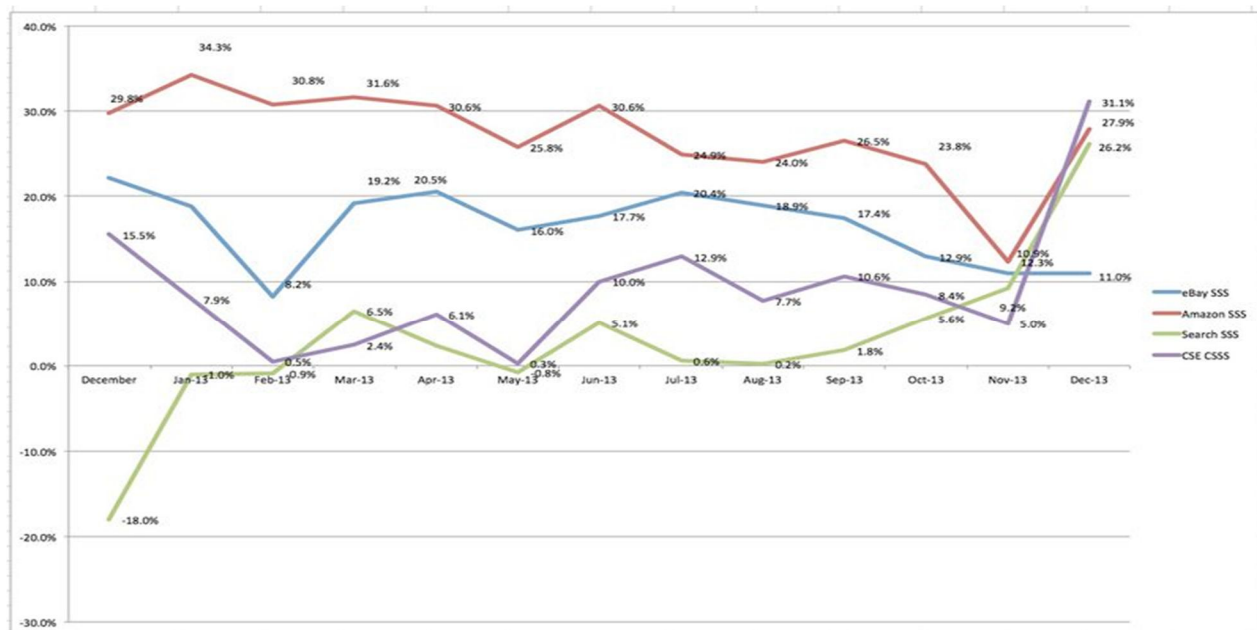
Settlement Date	Short Interest	Percent Change	Average Daily Share Volume	Days to Cover
01/15/2014	6,053,068	-3.10	2,417,676	2.50
12/31/2013	6,246,966	-7.08	2,517,130	2.48
12/13/2013	6,722,660	-5.62	2,852,588	2.36
11/29/2013	7,123,343	15.08	2,557,712	2.79
11/15/2013	6,190,049	-11.54	3,144,050	1.97
10/31/2013	6,997,525	0.66	4,484,298	1.56
10/15/2013	6,951,846	-13.88	2,592,424	2.68
09/30/2013	8,072,067	18.12	2,513,406	3.21
09/13/2013	6,833,813	9.36	2,084,029	3.28
08/30/2013	6,249,058	-1.82	1,980,664	3.16
08/15/2013	6,364,686	-15.32	2,236,690	2.85
07/31/2013	7,516,236	1.03	3,473,930	2.16
07/15/2013	7,439,728	4.00	2,959,034	2.51
06/28/2013	7,153,803	-5.31	3,187,516	2.24
06/14/2013	7,554,883	3.68	3,066,604	2.46
05/31/2013	7,286,786	2.53	2,509,611	2.90
05/15/2013	7,106,634	15.22	3,212,157	2.21
04/30/2013	6,168,077	-5.56	4,725,157	1.31
04/15/2013	6,530,965	-8.43	2,753,218	2.37
03/28/2013	7,132,443	-4.87	3,002,906	2.38
03/15/2013	7,497,355	2.06	3,204,736	2.34
02/28/2013	7,345,739	4.73	3,310,628	2.22
02/15/2013	7,013,742	-5.30	4,152,748	1.69
01/31/2013	7,406,427	3.51	5,166,952	1.43

Source: www.nasdaqtrader.com

Channel Advisor Metrics

Channel Advisor Same Store Sales (SSS) - December 2012 through December 2013

Same Store Sales for Ebay were flat at 11% in December 2013 compared to 10.9% in November 2013. Amazon had Same Store Sales growth of 27.9% YoY in December 2013 compared to 12.3% in November 2013.



Source: ebaystrategies.blogs.com

Retail E-Commerce

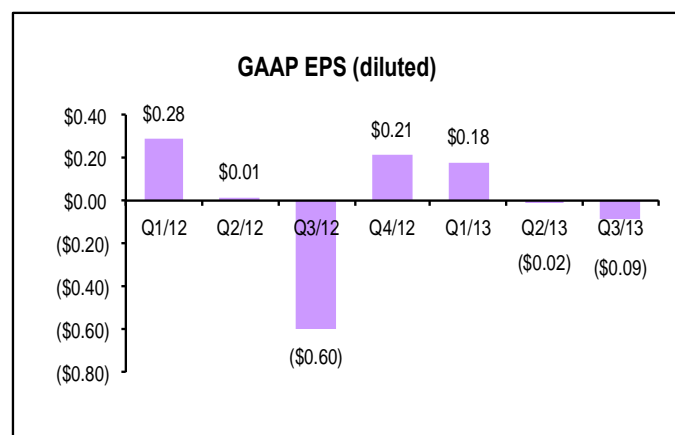
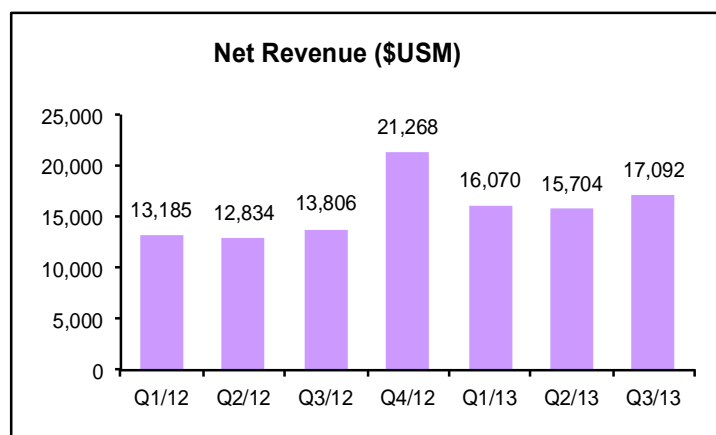
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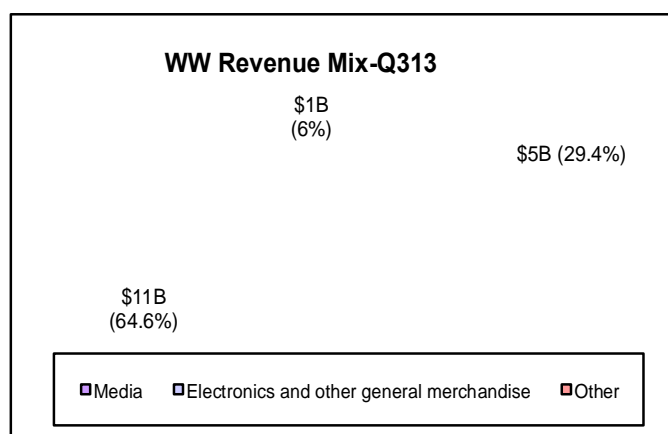
Source: comScore

September Quarter Financial Metrics Review

Amazon's worldwide revenue grew 23.8% YoY in Q313. Revenue from Media was \$5B (+9.4% YoY) and from EGM (electronics and other general merchandise) was \$11B (+29.1% YoY). Media formed 29.4% of worldwide revenue (down from 33.3% last year) while EGM contributed 64.6% to total revenue (up from 62% last year).



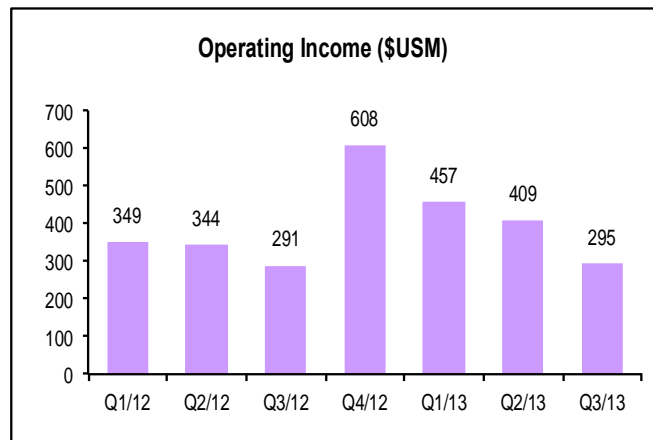
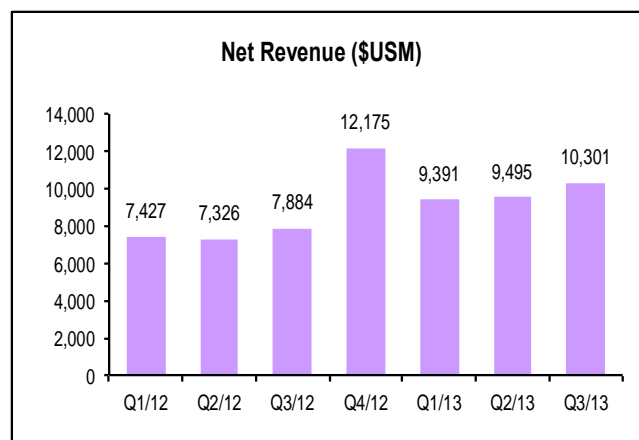
Source: Company Documents and BGC Financial



Source: Company Documents and BGC Financial. Note WW = World Wide.

Segment Results – North America

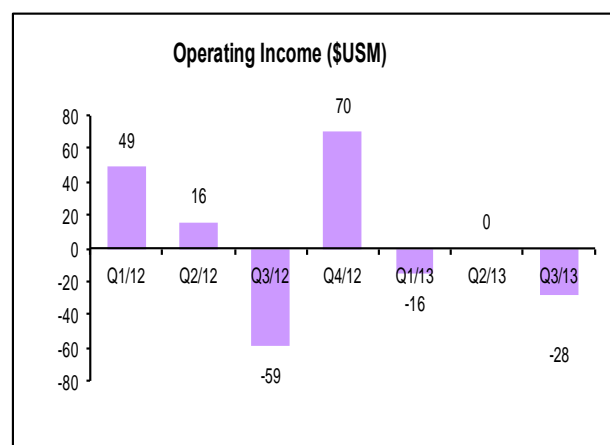
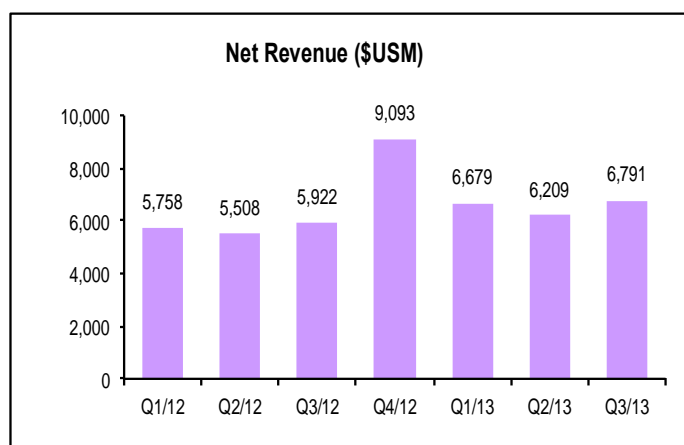
Revenue in this segment grew 30.7% YoY to \$10.3B while operating income increased 1.4% YoY to \$295M during September 2013. Q313 operating margin for North America segment was 2.9%.



Source: Company Documents and BGC Financial

Segment Results – International

International revenue grew 14.7% YoY in Q3/13.



Source: Company Documents and BGC Financial

Key Metrics Review

Revenue	2011	2012	Q1 (2012)	Q2 (2012)	Q3 (2012)	Q4 (2012)	Q1 (2013)	Q2 (2013)	Q3 (2013)
Revenue	48,377	61,093	13,185	12,834	13,806	21,268	16,070	15,704	17,092
Y/Y Growth Rate	41%	26%	34%	26%	27%	22%	22%	22%	24%
Q/Q Growth Rate	na	na	-24%	-3%	8%	54%	-24%	-2%	9%
North America	26,705	34,812	7,427	7,326	7,884	12,175	9,391	9,495	10,301
Y/Y Growth Rate	43%	30%	36%	36%	33%	23%	26%	30%	31%
Q/Q Growth Rate	na	na	-25%	-1%	8%	54%	-23%	1%	8%
International	21,372	26,281	5,758	5,508	5,922	9,093	6,679	6,209	6,791
Y/Y Growth Rate	38%	23%	31%	22%	20%	21%	16%	13%	15%
Q/Q Growth Rate	na	na	-24%	-4%	8%	54%	-27%	-7%	9%
Media	17,780	19,943	4,710	4,119	4,600	6,514	5,058	4,397	5,033
Y/Y Growth Rate	19%	12%	19%	13%	11%	8%	7%	7%	9%
Q/Q Growth Rate	na	na	-22%	-13%	12%	42%	-22%	-13%	14%
EGM	28,711	38,628	7,975	8,161	8,558	13,934	10,214	10,415	11,048
Y/Y Growth Rate	59%	63%	43%	38%	35%	28%	28%	28%	29%
Q/Q Growth Rate	na	na	-27%	2%	5%	63%	-27%	2%	6%
Other	1,586	2,522	500	554	648	820	798	892	1,011
Y/Y Growth Rate	66%	59%	61%	54%	59%	61%	60%	61%	56%
Q/Q Growth Rate	na	na	-2%	11%	17%	27%	-3%	12%	13%
As % of Revenues									
North America	55%	57%	56%	57%	57%	57%	58%	60%	60%
International	44%	43%	44%	43%	43%	43%	42%	40%	40%
Media	37%	33%	36%	32%	33%	31%	31%	28%	29%
EGM	59%	63%	60%	64%	62%	66%	64%	66%	65%
Other	3%	4%	4%	4%	5%	4%	5%	6%	6%

Source: Company Documents and BGC Financial

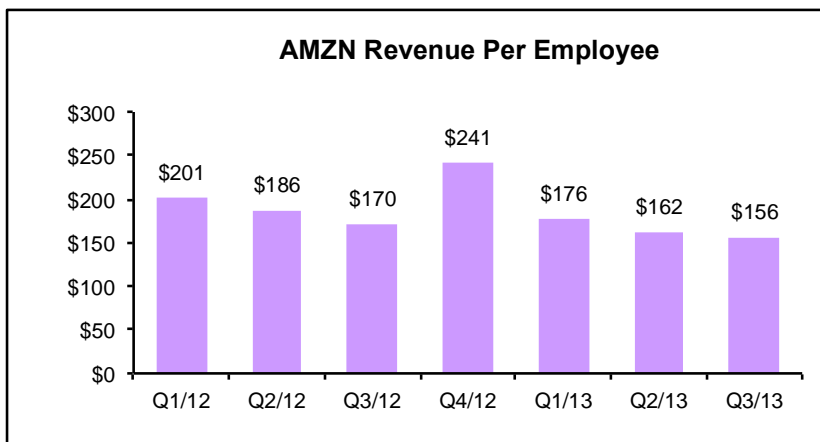
Profitability	2011	2012	Q1 (2012)	Q2 (2012)	Q3 (2012)	Q4 (2012)	Q1 (2013)	Q2 (2013)	Q3 (2013)
Income from operations	1,162	676	192	107	-28	405	181	79	-25
As % of Revenues	2%	1%	1%	1%	0%	2%	1%	1%	0%
Net Income	931	-40	130	7	-274	97	82	-7	-41
As % of Revenues	2%	0%	1%	0%	-2%	0%	1%	0%	0%
EPS (Diluted)	\$2.02	(\$0.09)	\$0.28	\$0.01	(\$0.60)	\$0.21	\$0.18	(\$0.02)	(\$0.09)
Number of Shares (Diluted)	460.5	459.75	460	458	460	461	463	456	457
Cash and Marketable Securities	9576	11448	5715	4970	5248	11448	7895	7463	7689
Capital Expenditure	1,811	3,785	386	657	716	2,025	670	855	1,038
Operating Cash Flow	\$3,903	\$4,180	-2438	594	943	5081	-2372	880	1388
Free Cash Flow	2,092	2,516	-2,824	-63	227	3,056	-3,042	25	350
Headcount	-	-	65600	69100	81400	88400	91300	97000	109800
Revenue per headcount (000)	-	-	\$201	\$186	\$170	\$241	\$176	\$162	\$156

Source: Company Documents and BGC Financial

Revenue Per Employee

See page 10 for important disclosures and disclaimers

Revenue per employee has been declining in the recent quarters for Amazon. Revenue per employee of \$156 in Q313 was the lowest in the last 7 quarters.



Source: Company Documents and BGC Financial

Balance Sheet and Cash flow

Amazon has \$7.6B in cash (\$16.82 / share) and \$3B long-term debt as of September 30, 2013. Cash flow from operations was \$1.3B in the September quarter.

Estimates and Valuation

We increase our 2013 estimates to:

\$0.61 in GAAP EPS and \$74.6B in net revenue.

From

\$0.53 in GAAP EPS and \$74.6B in net revenue.

Our estimates compare to consensus of \$0.77 in EPS and \$73.7B in revenue.

We decrease our 2014 estimates to:

\$2.40 in GAAP EPS and \$91.1B in net revenue.

From

\$2.82 in GAAP EPS and \$91.1B in net revenue.

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Our estimates compare to consensus of \$2.70 in EPS and \$91.6B in revenue.

Based on our \$0.61 EPS estimate for calendar 2013 and using a 595x multiple, we determine a 12-month price target for AMZN of \$365. Our previous target was \$320. The company trades at an ultra-premium valuation, but we expect more intense competition that maintains margins at a depressed level, a shift in the media business as other businesses capture digital delivery of media, increased Kindle competition, or weaker consumer spending is needed before AMZN experiences notable multiple contraction. We do not suggest buying shares of Amazon but see no catalyst on the horizon that is likely to pull shares materially lower.

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. Net sales in the 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

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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.

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Disclosures Appendix

Distribution of Ratings/Investment Banking Services (IB) as of 01/29/14 BGC

Rating	Count	Percent	IB Serv./Past 12 Mos.	
			Count	Percent
BUY [B]	14	35	0	0
HOLD [H]	25	63	0	0
SELL [S]	1	2	0	0

Price Target and Ratings Changes

Amazon.com Inc.



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Source: finance.yahoo.com and BGC Financial

Amazon.com Inc (AMZN)													Cash&eqv. \$7,689.0			
Income Statement													Cash / share \$16.82			
(Data in \$US millions, except per share)													LT Liability \$3,596			
													As of: Sep 30, 2013			
	2012 by Quarter				2013 by Quarter				2014 by Quarter				Calendar Year			
	Q1/12	Q2/12	Q3/12	Q4/12	Q1/13	Q2/13	Q3/13	Q4/13E	Q1/14E	Q2/14E	Q3/14E	Q4/14E	2011	2012	2013E	2014E
Net Revenues	13,185.0	12,834.0	13,806.0	21,268.0	16,070.0	15,704.0	17,092.0	25,819.4	19,589.3	19,174.6	20,783.9	31,828.7	48,377.0	61,093.0	74,685.4	91,176.5
Net product sales	11,249.0	10,791.0	11,546.0	18,147.0	13,271.0	12,752.0	13,808.0	22,023.9	15,828.2	15,454.7	16,772.6	26,884.4	42,000.0	51,733.0	61,854.9	74,939.9
Net services sales	1,936.0	2,043.0	2,260.0	3,121.0	2,799.0	2,952.0	3,284.0	3,795.4	3,761.2	3,719.9	4,011.3	4,944.3	6,377.0	9,360.0	12,830.4	16,236.6
Cost of net revenues	10,027.0	9,488.0	10,319.0	16,136.0	11,801.0	11,209.0	12,366.0	19,209.6	14,496.1	14,170.0	15,400.8	23,595.0	37,288.0	45,970.0	54,585.6	67,662.0
Gross profit	3,158.0	3,346.0	3,487.0	5,132.0	4,269.0	4,495.0	4,726.0	6,609.8	5,093.2	5,004.6	5,383.0	8,033.7	11,089.0	15,123.0	20,099.8	23,514.5
Operating expenses																
Fulfillment	1,295.0	1,356.0	1,510.0	2,258.0	1,796.0	1,837.0	2,034.0	2,814.3	2,076.5	2,032.5	2,223.9	3,352.6	4,576.0	6,419.0	8,481.3	9,685.5
Marketing	480.0	537.0	540.0	851.0	632.0	675.0	694.0	1,007.0	842.3	786.2	852.1	1,265.1	1,631.0	2,408.0	3,008.0	3,745.8
Technology and content	945.0	1,082.0	1,192.0	1,345.0	1,383.0	1,586.0	1,734.0	2,013.9	1,528.0	1,534.0	1,621.1	2,087.5	2,908.0	4,564.0	6,716.9	8,770.6
General and administrative	200.0	232.0	230.0	235.0	246.0	286.0	278.0	309.8	293.8	287.6	311.8	379.5	658.0	897.0	1,119.8	1,272.8
Other operating expense, net	46.0	32.0	43.0	38.0	31.0	32.0	11.0	77.5	58.8	57.5	62.4	94.9	154.0	159.0	151.5	273.5
Total operating expenses	2,966.0	3,239.0	3,515.0	4,727.0	4,088.0	4,416.0	4,751.0	6,222.5	4,799.4	4,697.8	5,071.3	7,179.7	9,927.0	14,447.0	19,477.5	21,748.1
Income from operations	192.0	107.0	(28.0)	405.0	181.0	79.0	(25.0)	387.3	293.8	306.8	311.8	854.0	1,162.0	676.0	622.3	1,766.4
Interest income, net	(9.0)	(11.0)	(12.0)	(19.0)	(23.0)	(24.0)	(27.0)	(20.0)	(20.0)	(20.0)	(20.0)	(20.0)	(4.0)	(51.0)	(94.0)	(80.0)
Other income, net	(99.0)	50.0	18.0	(49.0)	(77.0)	(38.0)	(10.0)	0.0	0.0	0.0	0.0	0.0	76.0	(80.0)	(106.0)	0.0
Income before income taxes	84.0	146.0	(22.0)	337.0	81.0	17.0	(43.0)	367.3	273.8	286.8	291.8	834.0	1,234.0	545.0	422.3	1,686.4
Provision for income taxes	43.0	109.0	83.0	194.0	(18.0)	13.0	(12.0)	110.2	82.2	86.0	87.5	250.2	291.0	429.0	93.2	505.9
Equity-method investment activity, net of tax	89.0	(30.0)	(169.0)	(46.0)	(17.0)	(11.0)	(10.0)	(10.0)	(25.0)	(25.0)	(15.0)	(10.0)	(12.0)	(156.0)	(48.0)	(75.0)
Net income	130.0	7.0	(274.0)	97.0	82.0	(7.0)	(41.0)	247.1	166.7	175.8	189.2	573.8	931.0	(40.0)	281.1	1,105.5
Stock compensation	160.0	221.0	217.0	235.0	229.0	298.0	281.0	290.00	290.00	290.00	290.00	290.00	557.0	833.0	1,098.0	1,160.0
GAAP EPS Reported - diluted	\$0.28	\$0.01	(\$0.60)	\$0.21	\$0.18	(\$0.02)	(\$0.09)	\$0.54	\$0.36	\$0.38	\$0.41	\$1.24	\$2.02	(\$0.09)	\$0.61	\$2.40
Shares used in per share calculation- diluted	460.0	458.0	460.0	461.0	463.0	456.0	457.0	458.0	459.0	460.0	461.0	462.0	460.5	459.8	458.5	460.5
Margins on Revenue																
Gross margin	24.0%	26.1%	25.3%	24.1%	26.6%	28.6%	27.7%	25.6%	26.0%	26.1%	25.9%	25.4%	22.9%	24.8%	26.9%	25.8%
Cost of revenues	76.0%	73.9%	74.7%	75.9%	73.4%	71.4%	72.3%	74.4%	74.0%	73.9%	74.1%	74.6%	77.1%	75.2%	73.1%	74.2%
Fulfillment	9.8%	10.6%	10.9%	10.8%	11.2%	11.7%	11.9%	10.9%	10.6%	10.6%	10.7%	10.6%	9.5%	10.5%	11.4%	10.6%
Marketing	3.6%	4.2%	3.9%	4.0%	3.9%	4.3%	4.1%	3.9%	4.3%	4.1%	4.1%	4.0%	3.4%	3.9%	4.0%	4.1%
Technology and content	7.2%	8.4%	8.6%	6.3%	8.6%	10.1%	10.1%	7.8%	7.8%	8.0%	7.8%	6.6%	6.0%	7.5%	9.0%	7.4%
General and administrative	1.5%	1.8%	1.7%	1.1%	1.5%	1.8%	1.6%	1.2%	1.5%	1.5%	1.5%	1.2%	1.4%	1.5%	1.5%	1.4%
Other operating expense, net	0.3%	0.2%	0.3%	0.2%	0.2%	0.2%	0.1%	0.3%	0.3%	0.3%	0.3%	0.3%	0.3%	0.3%	0.2%	0.3%
Stock compensation	1.2%	1.7%	1.6%	1.1%	1.4%	1.9%	1.6%	1.1%	1.5%	1.5%	1.4%	0.9%	1.2%	1.4%	1.5%	1.3%
EBITDAS	6.1%	6.3%	5.4%	6.1%	6.9%	7.2%	6.4%	5.5%	6.8%	7.0%	6.5%	6.0%	5.8%	6.0%	6.4%	6.5%
Operating Margin	1.5%	0.8%	-0.2%	1.9%	1.1%	0.5%	-0.1%	1.5%	1.5%	1.6%	1.5%	2.7%	2.4%	1.1%	0.8%	1.9%
Pretax Income	0.6%	1.1%	-0.2%	1.6%	0.5%	0.1%	-0.3%	1.4%	1.4%	1.5%	1.4%	2.6%	2.6%	0.9%	0.6%	1.8%
Tax Rate	51.2%	74.7%	-377.3%	57.6%	-22.2%	76.5%	27.9%	30.0%	30.0%	30.0%	30.0%	30.0%	23.6%	78.7%	22.1%	30.0%
Net Income	1.0%	0.1%	-2.0%	0.5%	0.5%	0.0%	-0.2%	1.0%	0.9%	0.9%	0.9%	1.8%	1.9%	-0.1%	0.4%	1.2%
% Changes Q/Q																
Total Revenues	-24.4%	-2.7%	7.6%	54.0%	-24.4%	-2.3%	8.8%	51.1%	-24.1%	-2.1%	8.4%	52.2%	na	na	na	na
% Changes Year/Year																
Net product sales	29.3%	25.3%	23.1%	18.5%	18.0%	18.2%	19.6%	21.4%	19.3%	21.2%	21.5%	22.1%	NM	23.2%	19.6%	21.2%
Net services sales	67.0%	27.5%	51.3%	47.1%	44.6%	44.5%	45.3%	21.6%	34.4%	26.0%	22.1%	25.0%	NM	46.8%	37.1%	26.5%
Total Revenues	33.8%	25.7%	26.9%	22.0%	21.9%	22.4%	23.6%	21.4%	21.9%	22.1%	21.6%	22.5%	41.4%	26.3%	22.2%	22.1%
EBITDAS	27.6%	-8.5%	48.3%	67.4%	37.2%	39.4%	46.7%	9.2%	10.0%	18.4%	23.6%	32.8%	28.6%	30.9%	29.7%	24.2%
Operating Income	-40.4%	-78.6%	-135.4%	55.8%	-5.7%	-26.2%	-10.7%	1.5%	1.5%	1.6%	1.5%	2.7%	-17.4%	-41.8%	-7.9%	183.8%
Pretax Income	-72.6%	-72.2%	NM	23.4%	-3.6%	-88.4%	NM	9.0%	238.1%	1587.0%	NM	127.1%	-17.6%	-55.8%	-22.5%	299.3%
Net Income	-35.3%	-98.6%	NM	-45.2%	-36.9%	NM	NM	154.7%	103.3%	NM	NM	132.2%	-19.2%	-104.3%	-802.8%	293.3%
EBITDAS	809.0	813.0	743.0	1,302.0	1,110.0	1,133.0	1,090.0	1,422.3	1,328.8	1,341.8	1,346.8	1,889.0	2,802.0	3,667.0	4,755.3	5,906.4
January 28, 2014 Source: Company reports and BGC Financial																

Source: Company Documents and BGC Financial

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Amazon.com Inc (AMZN)										
Balance Sheet										
(Data in Millions)										
	2012 by Quarter				2013 by Quarter			Calendar Year		
	1Q12 Mar 31 2012	2Q12 Jun 30 2012	3Q12 Sep 30 2012	4Q12 Dec 31 2012	1Q13 Mar 31 2013	2Q13 Jun 30 2013	3Q13 Sep 30 2013	Dec 31 2010	Dec 31 2011	Dec 31 2012
Assets										
Current assets:										
Cash and cash equivalents	2,288	2,335	2,980	8,084	4,481	3,704	3,872	3,777	5,269	8,084
Marketable securities	3,427	2,635	2,268	3,364	3,414	3,759	3,817	4,985	4,307	3,364
Inventories	4,255	4,380	5,065	6,031	5,395	5,420	6,068	3,202	4,992	6,031
Accounts receivable, net and other	1,813	2,035	2,392	3,364	2,516	2,861	3,057	1,587	2,571	3,364
Deferred tax assets	371	408	413	453	507	541	520	196	351	453
Total Current Assets:	12,154	11,793	13,118	21,296	16,313	16,285	17,334	13,747	17,490	21,296
Fixed assets, net	4,653	5,097	5,662	7,060	7,674	8,789	9,991	2,414	4,417	7,060
Deferred tax assets	27	26	38	123	123	128	128	22	28	123
Goodwill	1,970	2,521	2,540	2,552	2,535	2,614	2,635	1,349	1,955	2,552
Other Assets	1,535	1,585	1,476	1,524	1,732	1,807	1,773	1,265	1,388	1,524
Total Assets	20,339	21,022	22,834	32,555	28,377	29,623	31,861	18,797	25,278	32,555
Liabilities and Stockholder's Equity										
Current liabilities:										
Accounts payable	6,886	7,072	8,369	13,318	8,916	8,990	10,037	8,051	11,145	13,318
Accrued expenses and other	3,602	3,892	4,236	5,684	5,416	5,745	6,098	2,321	3,751	5,684
Current portion of long-term debt	0	0	0	0	0	0	0	0	0	0
Total Current Liabilities	10,488	10,964	12,605	19,002	14,332	14,735	16,135	10,372	14,896	19,002
Long-term debt	0	0	0	3,084	3,040	3,042	3,043	0	255	0
Other long-term liabilities	2,580	2,553	2,676	2,277	2,573	3,113	3,596	1,561	2,370	2,277
Total liabilities	13,068	13,517	15,281	24,363	19,945	20,890	22,774	11,933	17,521	24,363
Total stockholders' equity	7,271	7,505	7,553	8,192	8,432	8,733	9,087	6,864	7,757	8,192
Total liabilities and stockholders' equity	20,339	21,022	22,834	32,555	28,377	29,623	31,861	18,797	25,278	32,555

Source: Company Documents and BGC Financial