## AMAZON.COM, INC.

## CONSOLIDATED STATEMENTS OF OPERATIONS (in millions, except per share data)

Net product sales         2015         2016         2017           Net service sales         27,738         94,665         3 18,573           Net service sales         27,738         41,322         59,293           Total net sales         10,000         135,987         717,861           Operating expenses:         71,651         88,265         111,934           Fulfillment         13,410         17,619         25,249           Marketing         5,254         7,233         10,069           Technology and content         12,540         16,085         22,620           General and administrative         1,747         2,432         3,674           Other operating expense, net         11,71         167         214           Total operating expense, net         10,477         131,801         173,760           Operating income         2,233         4,186         4,106           Interest income         (459)         (484)         848           Other income (expense), net         (459)         (484)         848           Other income (expense), net         (525)         (294)         (300)           Income before income taxes         (58)         (39)         (306)		- 20	Yea	ar En	31,		
Net service sales         27,738         41,322         59,293           Total net sales         107,006         135,987         177,866           Operating expenses:         Cost of sales         71,651         88,265         111,934           Fulfillment         13,410         17,619         25,249           Marketing         5,254         7,233         10,069           Technology and content         12,540         16,085         22,620           General and administrative         1,747         2,432         3,674           Other operating expense, net         171         167         214           Total operating expenses         104,773         131,801         173,760           Operating income         2,233         4,186         4,106           Interest income         50         100         202           Interest expense         (459)         (484)         (484)           Other income (expense), net         (256)         90         346           Total non-operating income (expense)         (665)         (294)         (300)           Income before income taxes         1,568         3,892         3,806           Provision for income taxes         (950)         (1,425)<			2015		2016		2017
Total net sales         107,006         135,987         177,866           Operating expenses:         107,006         135,987         177,866           Cost of sales         71,651         88,265         111,934           Fulfillment         13,410         17,619         25,249           Marketing         5,254         7,233         10,069           Technology and content         12,540         16,085         22,620           General and administrative         1,747         2,432         3,674           Other operating expense, net         171         167         214           Total operating expenses         104,773         131,801         173,760           Operating income         2,233         4,186         4,106           Interest income         50         100         202           Interest expense         (459)         (484)         (848)           Other income (expense), net         (256)         90         346           Total non-operating income (expense)         (665)         (294)         (300)           Income before income taxes         (950)         (1,425)         (769)           Equity-method investment activity, net of tax         (22)         (96)         (4)	Net product sales	\$	79,268	\$	94,665	\$	118,573
Operating expenses:           Cost of sales         71,651         88,265         111,934           Fulfillment         13,410         17,619         25,249           Marketing         5,254         7,233         10,069           Technology and content         12,540         16,085         22,620           General and administrative         1,747         2,432         3,674           Other operating expense, net         171         167         214           Total operating expenses         104,773         131,801         173,760           Operating income         2,233         4,186         4,106           Interest income         50         100         202           Interest expense         (459)         (484)         (848)           Other income (expense), net         (256)         90         346           Other income (expense), net         (256)         90         346           Total non-operating income (expense)         (665)         (294)         (300)           Income before income taxes         1,568         3,892         3,806           Provision for income taxes         (950)         (1,425)         (769)           Equity-method investment activity, net of tax </td <td>Net service sales</td> <td></td> <td>27,738</td> <td></td> <td>41,322</td> <td></td> <td>59,293</td>	Net service sales		27,738		41,322		59,293
Cost of sales         71,651         88,265         111,934           Fulfillment         13,410         17,619         25,249           Marketing         5,254         7,233         10,069           Technology and content         12,540         16,085         22,620           General and administrative         1,747         2,432         3,674           Other operating expense, net         171         167         214           Total operating expenses         104,773         131,801         173,760           Operating income         2,233         4,186         4,106           Interest expense         (459)         (484)         (848)           Other income (expense), net         (256)         90         346           Other income (expense), net         (256)         90         346           Total non-operating income (expense)         (665)         (294)         (300)           Income before income taxes         1,568         3,892         3,806           Provision for income taxes         (950)         (1,425)         (769)           Equity-method investment activity, net of tax         (22)         (96)         (4)           Net income         \$ 596         \$ 2,371         \$ 3,03	Total net sales		107,006		135,987		177,866
Fulfillment         13,410         17,619         25,249           Marketing         5,254         7,233         10,069           Technology and content         12,540         16,085         22,620           General and administrative         1,747         2,432         3,674           Other operating expense, net         171         167         214           Total operating expenses         104,773         131,801         173,760           Operating income         2,233         4,186         4,106           Interest income         50         100         202           Interest expense         (459)         (484)         (848)           Other income (expense), net         (256)         90         346           Total non-operating income (expense)         (665)         (294)         (300)           Income before income taxes         (950)         (1,425)         (769)           Equity-method investment activity, net of tax         (22)         (96)         (4)           Net income         \$ 596         \$ 2,371         \$ 3,033           Basic earnings per share         \$ 1,28         \$ 5,01         \$ 6,32           Diluted earnings per share         \$ 1,28         \$ 5,01         \$ 6,15	Operating expenses:						
Marketing         5,254         7,233         10,069           Technology and content         12,540         16,085         22,620           General and administrative         1,747         2,432         3,674           Other operating expense, net         171         167         214           Total operating expenses         104,773         131,801         173,760           Operating income         2,233         4,186         4,106           Interest income         50         100         202           Interest expense         (459)         (484)         (848)           Other income (expense), net         (256)         90         346           Total non-operating income (expense)         (665)         (294)         (300)           Income before income taxes         1,568         3,892         3,806           Provision for income taxes         (950)         (1,425)         (769)           Equity-method investment activity, net of tax         (22)         (96)         (4)           Net income         \$ 596         2,371         \$ 3,033           Basic earnings per share         \$ 1,28         \$ 5.01         \$ 6.32           Uitted earnings per share         \$ 1,25         4,90 <td< td=""><td>Cost of sales</td><td></td><td>71,651</td><td></td><td>88,265</td><td></td><td>111,934</td></td<>	Cost of sales		71,651		88,265		111,934
Technology and content         12,540         16,085         22,620           General and administrative         1,747         2,432         3,674           Other operating expense, net         171         167         214           Total operating expenses         104,773         131,801         173,760           Operating income         2,233         4,186         4,106           Interest income         50         100         202           Interest expense         (459)         (484)         (848)           Other income (expense), net         (256)         90         346           Total non-operating income (expense)         (665)         (294)         (300)           Income before income taxes         1,568         3,892         3,806           Provision for income taxes         (950)         (1,425)         (769)           Equity-method investment activity, net of tax         (22)         (96)         (4)           Net income         \$ 596         2,371         \$ 3,033           Basic earnings per share         \$ 1.28         \$ 5.01         \$ 6.32           Weighted-average shares used in computation of earnings per share:         467         474         480	Fulfillment		13,410		17,619		25,249
General and administrative         1,747         2,432         3,674           Other operating expense, net         171         167         214           Total operating expenses         104,773         131,801         173,760           Operating income         2,233         4,186         4,106           Interest income         50         100         202           Interest expense         (459)         (484)         (848)           Other income (expense), net         (256)         90         346           Total non-operating income (expense)         (665)         (294)         (300)           Income before income taxes         1,568         3,892         3,806           Provision for income taxes         (950)         (1,425)         (769)           Equity-method investment activity, net of tax         (22)         (96)         (4)           Net income         \$ 596         2,371         \$ 3,033           Basic earnings per share         \$ 1.28         \$ 5.01         \$ 6.32           Diluted earnings per share         \$ 1.25         4.90         \$ 6.15           Weighted-average shares used in computation of earnings per share:         467         474         480	Marketing		5,254		7,233		10,069
Other operating expense, net         171         167         214           Total operating expenses         104,773         131,801         173,760           Operating income         2,233         4,186         4,106           Interest income         50         100         202           Interest expense         (459)         (484)         (848)           Other income (expense), net         (256)         90         346           Total non-operating income (expense)         (665)         (294)         (300)           Income before income taxes         1,568         3,892         3,806           Provision for income taxes         (950)         (1,425)         (769)           Equity-method investment activity, net of tax         (22)         (96)         (4)           Net income         \$ 596         2,371         \$ 3,033           Basic earnings per share         \$ 1.28         5.01         \$ 6.32           Diluted earnings per share         \$ 1.25         4.90         \$ 6.15           Weighted-average shares used in computation of earnings per share:         467         474         480	Technology and content		12,540		16,085		22,620
Total operating expenses         104,773         131,801         173,760           Operating income         2,233         4,186         4,106           Interest income         50         100         202           Interest expense         (459)         (484)         (848)           Other income (expense), net         (256)         90         346           Total non-operating income (expense)         (665)         (294)         (300)           Income before income taxes         1,568         3,892         3,806           Provision for income taxes         (950)         (1,425)         (769)           Equity-method investment activity, net of tax         (22)         (96)         (4)           Net income         \$ 596         2,371         \$ 3,033           Basic earnings per share         \$ 1.28         \$ 5.01         \$ 6.32           Diluted earnings per share         \$ 1.25         \$ 4.90         \$ 6.15           Weighted-average shares used in computation of earnings per share:         467         474         480	General and administrative		1,747		2,432		3,674
Operating income         2,233         4,186         4,106           Interest income         50         100         202           Interest expense         (459)         (484)         (848)           Other income (expense), net         (256)         90         346           Total non-operating income (expense)         (665)         (294)         (300)           Income before income taxes         1,568         3,892         3,806           Provision for income taxes         (950)         (1,425)         (769)           Equity-method investment activity, net of tax         (22)         (96)         (4)           Net income         \$ 596         2,371         \$ 3,033           Basic earnings per share         \$ 1.28         \$ 5.01         \$ 6.32           Diluted earnings per share         \$ 1.25         \$ 4.90         \$ 6.15           Weighted-average shares used in computation of earnings per share:         467         474         480	Other operating expense, net		171		167		214
Interest income         50         100         202           Interest expense         (459)         (484)         (848)           Other income (expense), net         (256)         90         346           Total non-operating income (expense)         (665)         (294)         (300)           Income before income taxes         1,568         3,892         3,806           Provision for income taxes         (950)         (1,425)         (769)           Equity-method investment activity, net of tax         (22)         (96)         (4)           Net income         \$ 596         \$ 2,371         \$ 3,033           Basic earnings per share         \$ 1.28         \$ 5.01         \$ 6.32           Diluted earnings per share         \$ 1.25         \$ 4.90         \$ 6.15           Weighted-average shares used in computation of earnings per share:         467         474         480	Total operating expenses	-	104,773		131,801		173,760
Interest expense       (459)       (484)       (848)         Other income (expense), net       (256)       90       346         Total non-operating income (expense)       (665)       (294)       (300)         Income before income taxes       1,568       3,892       3,806         Provision for income taxes       (950)       (1,425)       (769)         Equity-method investment activity, net of tax       (22)       (96)       (4)         Net income       \$ 596       \$ 2,371       \$ 3,033         Basic earnings per share       \$ 1.28       \$ 5.01       \$ 6.32         Diluted earnings per shares       \$ 1.25       \$ 4.90       \$ 6.15         Weighted-average shares used in computation of earnings per share:       467       474       480	Operating income		2,233		4,186		4,106
Other income (expense), net       (256)       90       346         Total non-operating income (expense)       (665)       (294)       (300)         Income before income taxes       1,568       3,892       3,806         Provision for income taxes       (950)       (1,425)       (769)         Equity-method investment activity, net of tax       (22)       (96)       (4)         Net income       \$ 596       \$ 2,371       \$ 3,033         Basic earnings per share       \$ 1.28       \$ 5.01       \$ 6.32         Diluted earnings per shares       \$ 1.25       \$ 4.90       \$ 6.15         Weighted-average shares used in computation of earnings per share:       467       474       480	Interest income		50		100		202
Total non-operating income (expense)         (665)         (294)         (300)           Income before income taxes         1,568         3,892         3,806           Provision for income taxes         (950)         (1,425)         (769)           Equity-method investment activity, net of tax         (22)         (96)         (4)           Net income         \$ 596         \$ 2,371         \$ 3,033           Basic earnings per share         \$ 1.28         \$ 5.01         \$ 6.32           Diluted earnings per share         \$ 1.25         \$ 4.90         \$ 6.15           Weighted-average shares used in computation of earnings per share:         467         474         480	Interest expense		(459)		(484)		(848)
Income before income taxes         1,568         3,892         3,806           Provision for income taxes         (950)         (1,425)         (769)           Equity-method investment activity, net of tax         (22)         (96)         (4)           Net income         \$ 596         \$ 2,371         \$ 3,033           Basic earnings per share         \$ 1.28         \$ 5.01         \$ 6.32           Diluted earnings per shares         \$ 1.25         \$ 4.90         \$ 6.15           Weighted-average shares used in computation of earnings per share:         467         474         480	Other income (expense), net		(256)		90		346
Provision for income taxes       (950)       (1,425)       (769)         Equity-method investment activity, net of tax       (22)       (96)       (4)         Net income       \$ 596       \$ 2,371       \$ 3,033         Basic earnings per share       \$ 1.28       \$ 5.01       \$ 6.32         Diluted earnings per share       \$ 1.25       \$ 4.90       \$ 6.15         Weighted-average shares used in computation of earnings per share:       467       474       480	Total non-operating income (expense)		(665)	yan	(294)		(300)
Equity-method investment activity, net of tax       (22)       (96)       (4)         Net income       \$ 596       \$ 2,371       \$ 3,033         Basic earnings per share       \$ 1.28       \$ 5.01       \$ 6.32         Diluted earnings per share       \$ 1.25       \$ 4.90       \$ 6.15         Weighted-average shares used in computation of earnings per share:       467       474       480	Income before income taxes		1,568		3,892		3,806
Net income         \$ 596 \$ 2,371 \$ 3,033           Basic earnings per share         \$ 1.28 \$ 5.01 \$ 6.32           Diluted earnings per share         \$ 1.25 \$ 4.90 \$ 6.15           Weighted-average shares used in computation of earnings per share:         467 474 480	Provision for income taxes		(950)		(1,425)		(769)
Basic earnings per share  Diluted earnings per share  Weighted-average shares used in computation of earnings per share:  Basic  467  474  480	Equity-method investment activity, net of tax		(22)		(96)		(4)
Diluted earnings per share \$ 1.25 \$ 4.90 \$ 6.15  Weighted-average shares used in computation of earnings per share:  Basic 467 474 480	Net income	\$	596	\$	2,371	\$	3,033
Weighted-average shares used in computation of earnings per share:  Basic 467 474 480	Basic earnings per share	\$	1.28	\$	5.01	\$	6.32
Basic 467 474 480	Diluted earnings per share	\$	1.25	\$	4.90	\$	6.15
	Weighted-average shares used in computation of earnings per share:						
Diluted 477 484 493	Basic		467		474		480
	Diluted	_	477		484		493

See accompanying notes to consolidated financial statements.