

AMAZON.COM, INC.
CONSOLIDATED STATEMENTS OF OPERATIONS
(in millions, except per share data)
(unaudited)

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2016	2017	2016	2017
Net product sales	\$ 22,339	\$ 28,768	\$ 64,036	\$ 77,248
Net service sales	10,375	14,976	28,210	40,165
Total net sales	32,714	43,744	92,246	117,413
Operating expenses:				
Cost of sales	21,260	27,549	59,306	73,439
Fulfillment	4,335	6,420	11,900	16,275
Marketing	1,738	2,479	4,720	6,629
Technology and content	4,135	5,944	11,541	16,306
General and administrative	639	960	1,715	2,630
Other operating expense, net	32	45	133	155
Total operating expenses	32,139	43,397	89,315	115,434
Operating income	575	347	2,931	1,979
Interest income	26	54	71	137
Interest expense	(118)	(228)	(351)	(510)
Other income (expense), net	8	143	75	329
Total non-operating income (expense)	(84)	(31)	(205)	(44)
Income before income taxes	491	316	2,726	1,935
Provision for income taxes	(229)	(58)	(1,012)	(755)
Equity-method investment activity, net of tax	(10)	(2)	(92)	(4)
Net income	\$ 252	\$ 256	\$ 1,622	\$ 1,176
Basic earnings per share	\$ 0.53	\$ 0.53	\$ 3.43	\$ 2.46
Diluted earnings per share	\$ 0.52	\$ 0.52	\$ 3.36	\$ 2.39
Weighted-average shares used in computation of earnings per share:				
Basic	474	481	473	479
Diluted	485	494	483	492

See accompanying notes to consolidated financial statements.

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AMAZON.COM, INC.
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
(in millions)
(unaudited)

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2016	2017	2016	2017
Net income	\$ 252	\$ 256	\$ 1,622	\$ 1,176
Other comprehensive income (loss):				
Foreign currency translation adjustments, net of tax of \$6, \$10, \$18, and \$(5)	19	104	133	486
Net change in unrealized gains (losses) on available-for-sale securities:				
Unrealized gains (losses), net of tax of \$(15), \$(1), \$(32), and \$1	29	(2)	65	(10)
Reclassification adjustment for losses (gains) included in "Other income (expense), net," net of tax of \$(1), \$0, \$(2), and \$0	2	3	4	8
Net unrealized gains (losses) on available-for-sale securities	31	1	69	(2)
Total other comprehensive income (loss)	50	105	202	484
Comprehensive income	<u>\$ 302</u>	<u>\$ 361</u>	<u>\$ 1,824</u>	<u>\$ 1,660</u>

See accompanying notes to consolidated financial statements.

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AMAZON.COM, INC.
CONSOLIDATED BALANCE SHEETS
(in millions, except per share data)

	<u>December 31, 2016</u>	<u>September 30, 2017</u> (unaudited)
<u>ASSETS</u>		
Current assets:		
Cash and cash equivalents	\$ 19,334	\$ 12,767
Marketable securities	6,647	11,543
Inventories	11,461	13,711
Accounts receivable, net and other	8,339	10,557
Total current assets	<u>45,781</u>	<u>48,578</u>
Property and equipment, net	29,114	45,335
Goodwill	3,784	13,271
Other assets	4,723	8,083
Total assets	<u>\$ 83,402</u>	<u>\$ 115,267</u>
<u>LIABILITIES AND STOCKHOLDERS' EQUITY</u>		
Current liabilities:		
Accounts payable	\$ 25,309	\$ 26,075
Accrued expenses and other	13,739	15,844
Unearned revenue	4,768	5,153
Total current liabilities	<u>43,816</u>	<u>47,072</u>
Long-term debt	7,694	24,710
Other long-term liabilities	12,607	18,827
Commitments and contingencies (Note 3)		
Stockholders' equity:		
Preferred stock, \$0.01 par value:		
Authorized shares — 500		
Issued and outstanding shares — none	—	—
Common stock, \$0.01 par value:		
Authorized shares — 5,000		
Issued shares — 500 and 505		
Outstanding shares — 477 and 482	5	5
Treasury stock, at cost	(1,837)	(1,837)
Additional paid-in capital	17,186	20,212
Accumulated other comprehensive loss	(985)	(501)
Retained earnings	4,916	6,779
Total stockholders' equity	<u>19,285</u>	<u>24,658</u>
Total liabilities and stockholders' equity	<u>\$ 83,402</u>	<u>\$ 115,267</u>

See accompanying notes to consolidated financial statements.