

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

	Year Ended December 31,		
	2013	2012	2011
Net product sales	\$ 60,903	\$ 51,733	\$ 42,000
Net services sales	13,549	9,360	6,077
Total net sales	<u>74,452</u>	<u>61,093</u>	<u>48,077</u>
Operating expenses (1):			
Cost of sales	54,181	45,971	37,288
Fulfillment	8,585	6,419	4,576
Marketing	3,133	2,408	1,630
Technology and content	6,565	4,564	2,909
General and administrative	1,129	896	658
Other operating expense (income), net	114	159	154
Total operating expenses	<u>73,707</u>	<u>60,417</u>	<u>47,215</u>
Income from operations	745	676	862
Interest income	38	40	61
Interest expense	(141)	(92)	(65)
Other income (expense), net	(136)	(80)	76
Total non-operating income (expense)	<u>(239)</u>	<u>(132)</u>	<u>72</u>
Income before income taxes	506	544	934
Provision for income taxes	(161)	(428)	(291)
Equity-method investment activity, net of tax	(71)	(155)	(12)
Net income (loss)	<u>\$ 274</u>	<u>\$ (39)</u>	<u>\$ 631</u>
Basic earnings per share	<u>\$ 0.60</u>	<u>\$ (0.09)</u>	<u>\$ 1.39</u>
Diluted earnings per share	<u>\$ 0.59</u>	<u>\$ (0.09)</u>	<u>\$ 1.37</u>
Weighted average shares used in computation of earnings per share:			
Basic	<u>457</u>	<u>453</u>	<u>453</u>
Diluted	<u>465</u>	<u>453</u>	<u>461</u>

(1) Includes stock-based compensation as follows:

Fulfillment	\$ 294	\$ 212	\$ 133
Marketing	88	61	39
Technology and content	603	434	292
General and administrative	149	126	93

See accompanying notes to consolidated financial statements.