

# OS AA01

## Statement of details of parent law and other information for an overseas company



Companies House

**What this form is for**  
You may use this form to accompany your accounts disclosed under parent law.

**What this form is for**  
You cannot use this form for an alteration of memorandum and articles with accounting requirements.

FRIDAY



A06 \*A7D05QVO\* #315  
COMPANIES HOUSE

### Part 1 Corporate company name

Corporate name of overseas company <sup>1</sup>

AMAZON EU SARL ~~UK BRANCH~~ *Crow*

UK establishment number

B R G 1 7 4 2 7

→ **Filling in this form**  
Please complete in typescript or in bold black capitals.

All fields are mandatory unless specified or indicated by \*

<sup>1</sup> This is the name of the company in its home state.

### Part 2 Statement of details of parent law and other information for an overseas company

#### A1 Legislation

Please give the legislation under which the accounts have been prepared and, if applicable, the legislation under which the accounts have been audited.

Legislation <sup>1</sup>

Law of 19 December 2002 relating to Accounting & Annual Accounts

<sup>1</sup> This means the relevant rules or legislation which regulates the preparation and, if applicable, the audit of accounts.

#### A2 Accounting principles

Accounts

Have the accounts been prepared in accordance with a set of generally accepted accounting principles?

Please tick the appropriate box.

No. Go to **Section A3**.

Yes. Please enter the name of the organisation or other body which issued those principles below, and then go to **Section A3**.

<sup>1</sup> Please insert the name of the appropriate accounting organisation or body

Name of organisation or body <sup>1</sup>

Ministere De La Justice Du Grand-Duche de Luxembourg

#### A3 Accounts

Accounts

Have the accounts been audited? Please tick the appropriate box.

No. Go to **Section A5**.

Yes. Go to **Section A4**.

# OS AA01

Statement of details of parent law and other information for an overseas company

## A4

### Audited accounts

Audited accounts	Have the accounts been audited in accordance with a set of generally accepted auditing standards? Please tick the appropriate box. <input type="checkbox"/> No. Go to Part 3 'Signature'. <input checked="" type="checkbox"/> Yes. Please enter the name of the organisation or other body which issued those standards below, and then go to Part 3 'Signature'.	● Please insert the name of the appropriate accounting organisation or body
Name of organisation or body ●	Commission De Surveillance Du Secteur Financier (Luxembourg)	

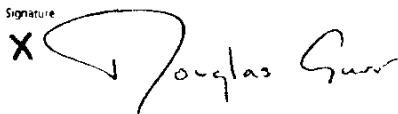
## A5

### Unaudited accounts

Unaudited accounts	Is the company required to have its accounts audited? Please tick the appropriate box. <input type="checkbox"/> No. <input type="checkbox"/> Yes.
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## Part 3

### Signature

I am signing this form on behalf of the overseas company.	
Signature	<input checked="" type="checkbox"/>  <input checked="" type="checkbox"/>
This form may be signed by: Director, Secretary, Permanent representative.	

# OS AA01

Statement of details of parent law and other information for an overseas company



## Presenter information

You do not have to give any contact information, but if you do it will help Companies House if there is a query on the form. The contact information you give will be visible to searchers of the public record.

Contact name

Company name CMS Cameron McKenna LLP

(Ref: GYU)

Address Cannon Place

78 Cannon Street

Post town London

County/Region

Postcode E C 4 N 6 A F

Country

DX

Telephone



## Checklist

We may return forms completed incorrectly or with information missing.

Please make sure you have remembered the following:

- The company name and, if appropriate, the registered number, match the information held on the public Register.
- You have completed all sections of the form, if appropriate.
- You have signed the form.



## Important information

Please note that all this information will appear on the public record.



## Where to send

You may return this form to any Companies House address:

### England and Wales:

The Registrar of Companies, Companies House,  
Crown Way, Cardiff, Wales, CF14 3UZ.  
DX 33050 Cardiff.

### Scotland:

The Registrar of Companies, Companies House,  
Fourth floor, Edinburgh Quay 2,  
139 Fountainbridge, Edinburgh, Scotland, EH3 9FF.  
DX ED235 Edinburgh 1  
or LP - 4 Edinburgh 2 (Legal Post).

### Northern Ireland:

The Registrar of Companies, Companies House,  
Second Floor, The Linenhall, 32-38 Linenhall Street,  
Belfast, Northern Ireland, BT2 8BG.  
DX 481 N.R. Belfast 1.



## Further information

For further information, please see the guidance notes on the website at [www.companieshouse.gov.uk](http://www.companieshouse.gov.uk) or email [enquiries@companieshouse.gov.uk](mailto:enquiries@companieshouse.gov.uk)

This form is available in an alternative format. Please visit the forms page on the website at [www.companieshouse.gov.uk](http://www.companieshouse.gov.uk)

COMPANY NO: FC032354

220930/20

Amazon EU S.à r.l.  
5, rue Plaetis  
L-2338 Luxembourg

Subscribed Capital: EUR 37,500  
R.C.S. Luxembourg B 101.818

Annual accounts as at 31 December 2017 and  
Independent auditor's report

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Ernst & Young  
Société anonyme

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L-2017 Luxembourg

R.C.S. Luxembourg B 47 771  
TVA LU 16063074

## Independent auditor's report

To the Shareholder of  
Amazon EU S.à r.l.  
5, rue Plaetis  
L-2338 Luxembourg

### Report on the audit of the annual accounts

#### Opinion

We have audited the annual accounts of Amazon EU S.à r.l. ("the Company"), which comprise the balance sheet as at 31 December 2017, and the profit and loss account for the year then ended, and the notes to the annual accounts, including a summary of significant accounting policies.

In our opinion, the accompanying annual accounts give a true and fair view of the financial position of the Company as at 31 December 2017, and of the results of its operations for the year then ended in accordance with Luxembourg legal and regulatory requirements relating to the preparation and presentation of the annual accounts.

#### Basis for Opinion

We conducted our audit in accordance with the Law of 23 July 2016 on the audit profession (the "Law of 23 July 2016") and with International Standards on Auditing ("ISAs") as adopted for Luxembourg by the "Commission de Surveillance du Secteur Financier" ("CSSF"). Our responsibilities under those Law and standards are further described in the "responsibilities of the "réviseur d'entreprises agréé" for the audit of the annual accounts" section of our report. We are also independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants ("IESBA Code") as adopted for Luxembourg by the CSSF together with the ethical requirements that are relevant to our audit of the annual accounts, and have fulfilled our other ethical responsibilities under those ethical requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### Other Information

The Board of Managers is responsible for the other information. The other information comprises the information included in the management report but does not include the annual accounts and our report of the "réviseur d'entreprises agréé" thereon.



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Our opinion on the annual accounts does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the annual accounts, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the annual accounts or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report this fact. We have nothing to report in this regard.

#### **Responsibilities of the Board of Managers and those charged with governance for the annual accounts**

The Board of Managers is responsible for the preparation and fair presentation of these annual accounts in accordance with Luxembourg legal and regulatory requirements relating to the preparation and presentation of the annual accounts, and for such internal control as the Board of Managers determines is necessary to enable the preparation of annual accounts that are free from material misstatement, whether due to fraud or error

In preparing the annual accounts, the Board of Managers is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Managers either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

#### **Responsibilities of the "réviseur d'entreprises agréé" for the audit of the annual accounts**

Our objectives are to obtain reasonable assurance about whether the annual accounts as a whole are free from material misstatement, whether due to fraud or error, and to issue a report of the "réviseur d'entreprises agréé" that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Law of 23 July 2016 and with ISAs as adopted for Luxembourg by the CSSF will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these annual accounts.

As part of an audit in accordance with the Law of 23 July 2016 and with ISAs as adopted for Luxembourg by the CSSF, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the annual accounts, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.



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- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Managers.
- Conclude on the appropriateness of Board of Managers' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our report of the "réviseur d'entreprises agréé" to the related disclosures in the annual accounts or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our report of the "réviseur d'entreprises agréé". However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the annual accounts, including the disclosures, and whether the annual accounts represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

#### **Report on other legal and regulatory requirements**

The management report is consistent with the annual accounts and has been prepared in accordance with applicable legal requirements.

Ernst & Young  
Société anonyme  
Cabinet de révision agréé

Gaél Denis

Luxembourg, 19 February 2018



RCSL Nr. :	B101818	Matricule :	2004 2413 314
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**BALANCE SHEET**

Financial year from 01/01/2017 to 31/12/2017 (in EUR)

Amazon EU S à r.l.  
5, rue Plaets  
L-2338 Luxembourg

**ASSETS**

	Reference(s)	Current year	Previous year
<b>A. Subscribed capital unpaid</b>	1101	101	102
I Subscribed capital not called	1103	103	104
II Subscribed capital called but unpaid	1105	105	106
<b>B. Formation expenses</b>	1107	107	108
<b>C. Fixed assets</b>	1109	109	110
I Intangible assets	1111	111	112
1. Costs of development	1113	113	114
2 Concessions, patents, licences, trade marks and similar rights and assets, if they were	1115	115	116
a) acquired for valuable consideration and need not be shown under C.I.3	1117	117	118
b) created by the undertaking itself	1119	119	120
3. Goodwill, to the extent that it was acquired for valuable consideration	1121	121	122
4 Payments on account and intangible assets under development	1123	123	124
II Tangible assets	1125	125	126
1. Land and buildings	1127	127	128
2. Plant and machinery	1129	129	130
		2,393,042,188	1,266,625,900
	3	23,419,593	28,832,421
		—	—
		23,419,593	28,832,421
		23,419,593	28,832,421
		—	—
		—	—
		—	—
	4	40,475,798	30,194,685
		—	—
		—	—

The notes in the annex form an integral part of the annual accounts

RCSL Nr. :	B101818	Matricule .	2004 2413 314
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	Reference(s)		Current year		Previous year
3. Other fixtures and fittings, tools and equipment	1131	131	32,875,334	132	26,493,804
4. Payments on account and tangible assets in the course of construction	1133	133	7,600,464	134	3,700,881
III. Financial assets	1135	135	2,329,146,797	136	1,207,598,794
1. Shares in affiliated undertakings	1137	5	2,327,774,323	138	1,206,235,815
2. Loans to affiliated undertakings	1139	139	—	140	—
3. Participating interests	1141	141	—	142	—
4. Loans to undertakings with which the undertaking is linked by virtue of participating interests	1143	143	—	144	—
5. Investments held as fixed assets	1145	145	—	146	—
6. Other loans	1147	147	1,372,474	148	1,362,979
D. Current assets	1151	151	7,064,046,897	152	7,844,449,144
I. Stocks	1153	6	3,741,757,520	154	2,974,504,263
1. Raw materials and consumables	1155	155	13,209,268	156	8,786,358
2. Work in progress	1157	157	—	158	—
3. Finished goods and goods for resale	1159	159	3,728,548,252	160	2,965,717,905
4. Payments on account	1161	161	—	162	—
II. Debtors	1163	163	3,246,570,686	164	1,161,364,211
1. Trade debtors	1165	7	955,947,250	166	837,073,126
a) becoming due and payable within one year	1167	167	955,547,250	168	837,073,126
b) becoming due and payable after more than one year	1169	169	400,000	170	—
2. Amounts owed by affiliated undertakings	1171	8	2,263,778,427	172	310,813,271
a) becoming due and payable within one year	1173	173	2,100,677,828	174	114,929,905
b) becoming due and payable after more than one year	1175	175	163,100,599	176	195,883,366
3. Amounts owed by undertakings with which the undertaking is linked by virtue of participating interests	1177	177	—	178	—
a) becoming due and payable within one year	1179	179	—	180	—
b) becoming due and payable after more than one year	1181	181	—	182	—
4. Other debtors	1183	183	26,845,009	184	13,477,814
a) becoming due and payable within one year	1185	185	26,845,009	186	13,477,814
b) becoming due and payable after more than one year	1187	187	—	188	—

The notes in the annex form an integral part of the annual accounts

RCSL Nr. :	B101818	Matricule :	2004 2413 314
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	Reference(s)	Current year	Previous year
III. Investments			
	1189 9	189 326,553	193 205,635,737
1. Shares in affiliated undertakings	1191	191 —	192 —
2. Own shares	1209	209 —	213 —
3. Other investments	1195	195 326,553	196 205,635,737
IV Cash at bank and in hand	1197	197 75,392,138	198 3,502,944,933
E. Prepayments	1199	199 26,738,193	200 23,642,351
<b>TOTAL (ASSETS)</b>		201 9,483,827,278	202 9,134,717,395

The notes in the annex form an integral part of the annual accounts

RCSL Nr. :	B101818	Matricule :	2004 2413 314
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## CAPITAL, RESERVES AND LIABILITIES

	Reference(s)		Current year		Previous year	
<b>A. Capital and reserves</b>	1301	10	301	771,698,598	302	902,216,277
I. Subscribed capital	1303		303	37,500	304	37,500
II. Share premium account	1305		305	1,270,905,813	306	520,905,813
III. Revaluation reserve	1307		307	57,060,441	308	61,343,146
IV. Reserves	1309		309	1,574,875	310	2,543,550
1. Legal reserve	1311		311	3,750	312	3,750
2. Reserve for own shares	1313		313	—	314	—
3. Reserves provided for by the articles of association	1315		315	—	316	—
4. Other reserves, including the fair value reserve	1429		429	1,571,125	430	2,539,800
a) other available reserves	1431		431	—	432	—
b) other non available reserves	1433		433	1,571,125	434	2,539,800
V. Profit or loss brought forward	1319		319	318,354,943	320	274,319,832
VI. Profit or loss for the financial year	1321		321	(876,234,974)	322	43,066,436
VII. Interim dividends	1323		323	—	324	—
VIII. Capital investment subsidies	1325		325	—	326	—
<b>B. Provisions</b>	1331		331	—	332	—
1. Provisions for pensions and similar obligations	1333		333	—	334	—
2. Provisions for taxation	1335		335	—	336	—
3. Other provisions	1337		337	—	338	—
<b>C. Creditors</b>	1435		435	7,483,964,878	436	7,256,263,139
1. Debenture loans	1437		437	—	438	—
a) Convertible loans	1439		439	—	440	—
i) becoming due and payable within one year	1441		441	—	442	—
ii) becoming due and payable after more than one year	1443		443	—	444	—
b) Non convertible loans	1445		445	—	446	—
i) becoming due and payable within one year	1447		447	—	448	—
ii) becoming due and payable after more than one year	1449		449	—	450	—
2. Amounts owed to credit institutions	1355		355	—	356	—
a) becoming due and payable within one year	1357		357	—	358	—
b) becoming due and payable after more than one year	1359		359	—	360	—

The notes in the annex form an integral part of the annual accounts

RC SL Nr.	B101818	Matricule :	2004 2413 314
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	Reference(s)		Current year		Previous year
3		Payments received on account of orders in so far as they are shown separately as deductions from stocks			
	1361		361	—	362
a)		becoming due and payable within one year	1363	363	—
				364	—
b)		becoming due and payable after more than one year	1365	365	—
				366	—
4		Trade creditors			
	1367	11	367	6,577,480,750	368
					5,057,273,793
a)		becoming due and payable within one year	1369	369	6,577,480,750
					370
					5,057,273,793
b)		becoming due and payable after more than one year	1371	371	—
				372	—
5		Bills of exchange payable			
	1373		373	—	374
a)		becoming due and payable within one year	1375	375	—
				376	—
b)		becoming due and payable after more than one year	1377	377	—
				378	—
6		Amounts owed to affiliated undertakings			
	1379	12	379	355,176,151	380
					1,638,216,982
a)		becoming due and payable within one year	1381	381	350,108,008
					382
					1,633,148,839
b)		becoming due and payable after more than one year	1383	383	5,068,143
					384
					5,068,143
7		Amounts owed to undertakings with which the undertaking is linked by virtue of participating interests			
	1385		385	—	386
a)		becoming due and payable within one year	1387	387	—
				388	—
b)		becoming due and payable after more than one year	1389	389	—
				390	—
8		Other creditors			
	1451		451	551,307,977	452
					560,772,364
a)		Tax authorities	1393	13	393
				225,910,277	394
					216,379,023
b)		Social security authorities	1395	395	21,495,296
					396
					17,919,294
c)		Other creditors	1397	14	397
				303,902,404	398
					326,474,047
i)		becoming due and payable within one year	1399	399	216,023,712
					400
					267,589,764
ii)		becoming due and payable after more than one year	1401	401	87,878,692
					402
					58,884,283
D. Deferred income	1403	15	403	1,228,163,802	404
					976,237,979
<b>TOTAL (CAPITAL, RESERVES AND LIABILITIES)</b>			405	<b>9,483,827,278</b>	406
					<b>9,134,717,395</b>

The notes in the annex form an integral part of the annual accounts

RCSL Nr. :	B101818	Matricule :	2004 2413 314
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## PROFIT AND LOSS ACCOUNT

Financial year from 01/01/2017 to 31/12/2017 (in EUR)

Amazon EU S.à r.l.  
5, rue Plaetis  
L-2338 Luxembourg

### PROFIT AND LOSS ACCOUNT

	Reference(s)	Current year	Previous year
<b>1. Net turnover</b>	1701	24,915,596,486	21,627,152,409
<b>2. Variation in stocks of finished goods and in work in progress</b>	1703	—	—
<b>3. Work performed by the undertaking for its own purposes and capitalised</b>	1705	—	—
<b>4. Other operating income</b>	1713	1,607,003	1,349,195
<b>5. Raw materials and consumables and other external expenses</b>	1671	(25,108,211,368)	(21,421,250,089)
a) Raw materials and consumables	1601	(18,417,162,642)	(16,155,854,329)
b) Other external expenses	1603	(6,691,048,726)	(5,265,395,760)
<b>6. Staff costs</b>	1605	(377,152,762)	(284,569,446)
a) Wages and salaries	1607	(308,411,970)	(233,409,077)
b) Social security costs	1609	(68,740,792)	(51,160,369)
i) relating to pensions	1653	(19,679,014)	(14,725,182)
ii) other social security costs	1655	(49,061,778)	(36,435,187)
c) Other staff costs	1613	—	—
<b>7. Value adjustments</b>	1657	(91,467,308)	(2,160,235)
a) in respect of formation expenses and of tangible and intangible fixed assets	1659	(14,090,015)	(11,221,443)
b) in respect of current assets	1661	(77,377,293)	9,061,208
<b>8. Other operating expenses</b>	1621	(102,263,265)	(79,825,455)

The notes in the annex form an integral part of the annual accounts

RCSL Nr. :	B101818	Matricule :	2004 2413 314
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	Reference(s)		Current year		Previous year
<b>9. Income from participating interests</b>	1715	715	432,236	716	317,968,109
a) derived from affiliated undertakings	1717	717	432,236	718	317,968,109
b) other income from participating interests	1719	719	—	720	—
<b>10. Income from other investments and loans forming part of the fixed assets</b>	1721	721	1,123,344	722	148,006
a) derived from affiliated undertakings	1723	723	—	724	—
b) other income not included under a)	1725	725	1,123,344	726	148,006
<b>11. Other interest receivable and similar income</b>	1727	20	51,049,609	728	64,982,448
a) derived from affiliated undertakings	1729	8	5,922,342	730	12,090,568
b) other interest and similar income	1731	731	45,127,267	732	52,891,880
<b>12. Share of profit or loss of undertakings accounted for under the equity method</b>	1663	663	—	664	—
<b>13. Value adjustments in respect of financial assets and of investments held as current assets</b>	1665	5	(60,213,240)	666	(20,376,785)
<b>14. Interest payable and similar expenses</b>	1627	21	(44,949,128)	628	(138,255,805)
a) concerning affiliated undertakings	1629	12	(3,627,017)	630	(39,568,389)
b) other interest and similar expenses	1631	631	(41,322,111)	632	(98,687,416)
<b>15. Tax on profit or loss</b>	1635	13	(54,865,390)	636	(16,568,782)
<b>16. Profit or loss after taxation</b>	1667	667	(869,313,783)	668	48,593,570
<b>17. Other taxes not shown under items 1 to 16</b>	1637	13	(6,921,191)	638	(5,527,134)
<b>18. Profit or loss for the financial year</b>	1669	669	(876,234,974)	670	43,066,436

The notes in the annex form an integral part of the annual accounts

Amazon EU S.à r.l.  
Société à responsabilité limitée

**Notes to the annual accounts**  
As at 31 December 2017

**Note 1 - General**

Amazon EU S.à r.l. (the "Company") was incorporated in Luxembourg on 8 June 2004. The registered office is established at 5, rue Plaetis, L-2338 Luxembourg. The registration number is B 101.818.

The financial year begins on 1 January and ends on 31 December of each year.

The Company's principal purpose is to sell goods and services through certain websites. The Company also holds interests in other companies and other assets.

The Company has registered branches in France, Germany, Italy, Spain and the United Kingdom.

The Company's accounts are included within the consolidated accounts of Amazon.com, Inc., located in the United States at 410 Terry Avenue North, Seattle, Washington 98109-5210, USA.

As Amazon.com, Inc., which is the ultimate parent, prepares consolidated accounts, the Company is exempt from preparing consolidated accounts. These consolidated accounts are available at the ultimate parent company's office located in the United States.

**Note 2 - Significant accounting policies**

*General principles*

The annual accounts are drawn up in conformity with the Luxembourg legal and regulatory requirements and according to generally accepted accounting principles applicable in Luxembourg.

*Tangible and intangible fixed assets*

Tangible and intangible fixed assets are stated at cost less accumulated depreciation and amortization and any impairment adjustments. Depreciation and amortization are calculated on a straight line basis over the estimated useful life of the assets (1 to 5 years for intangible fixed assets and 3 to 10 years for tangible fixed assets). The carrying values of tangible and intangible fixed assets are reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable.

*Financial fixed assets*

Shares in affiliated undertakings are valued at their historical cost.

When management considers that a permanent impairment in value of financial fixed assets exists, a value adjustment is recognized, so that they are valued at the lower value to be attributed to them at the balance sheet date. These value adjustments may not be continued if the events for which the value adjustments were made have ceased to apply.



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**Notes to the annual accounts**  
As at 31 December 2017

**Note 2 - Significant accounting policies (continued)**

*Stocks*

Stocks are accounted for using the FIFO method, and are valued at the lower of cost or market value. This valuation requires the Company to make judgments, based on current available information, about the likely method of disposition, such as through sales to individual customers, returns to product vendors, or liquidations, and expected recoverable values of each disposition category. Based on this evaluation, the Company adjusts the carrying amount of goods for resale to lower of cost or market value.

*Debtors*

Debtors are recorded at their nominal value. A value adjustment is made when their reimbursement is partly or completely in doubt. These value adjustments may not be continued if the reasons for which the value adjustments were made have ceased to apply.

*Other investments*

Other investments primarily consist of short term deposits.

*Cash at bank and in hand*

Cash at bank and in hand includes cash with banks and short term, highly liquid investments that are readily convertible to known amounts of cash with original maturities of ninety days or less and that are subject to an insignificant risk of a change in value.

*Creditors*

Debts are recorded at their repayment value

*Revenue recognition*

The Company recognizes revenues for products sold and other revenue when the following four recognition criteria are met: persuasive evidence of an arrangement exists, delivery has occurred or services have been rendered, the selling price is fixed or determinable, and collectability is reasonably assured. Revenue arrangements with multiple deliverables are divided into separate units and revenue is allocated to each element based on their relative selling prices. Depending on the element, the revenue is either recognized upon delivery or on a straight line basis over the estimated period of the service

Revenue primarily consists of net product sales and related revenues.

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**Notes to the annual accounts**  
As at 31 December 2017

**Note 2 - Significant accounting policies (continued)**

*Foreign currency translation*

The Company maintains its books and records in EUR. Transactions in other currencies are translated into EUR at the rates of exchange prevailing on the dates of the transactions.

Non-monetary assets and liabilities denominated in other currencies are translated into EUR at the historical exchange rate. Other assets and liabilities denominated in other currencies are translated into EUR at the exchange rate at the balance sheet date. Realized exchange gains and losses and unrealized exchange losses are reflected in the profit and loss account. Unrealized exchange gains are reflected in "Revaluation reserve".

The Company has a business unit which transacts most of its business in Great Britain Pound ("GBP"). For purposes of including this business unit into the annual accounts of the Company, the balance sheet is translated from GBP to EUR using the closing rate method, including amounts owed between the GBP business unit and EUR business units. Profit and loss accounts are translated at average exchange rates prevailing throughout the year. Exchange differences arising from this translation are recorded in Capital and reserves under "Revaluation reserve".

The following table presents the currency translation rates from GBP to EUR as of 31 December 2017 and 2016, and the average rates for the years ended 31 December 2017 and 2016.

2017 Average rate	31 December 2017 Closing rate	2016 Average rate	31 December 2016 Closing rate
1.14	1.13	1.22	1.17

*Use of estimates*

The preparation of annual accounts in conformity with the Luxembourg legal and regulatory requirements requires estimates and assumptions that affect the reported amounts of assets and liabilities, revenues and expenses, and related disclosures of contingent liabilities in the annual accounts. Estimates are used for, but not limited to, useful lives of fixed assets, valuation and impairment of investments, stock valuation and stocks purchase commitments, collectability of receivables, determining the selling price of products and services in multiple element revenue arrangements and determining the amortization period of these elements, incentive discount offers, sales returns, vendor funding, income taxes and contingencies. Actual results could differ materially from those estimates.

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**Notes to the annual accounts**  
As at 31 December 2017

**Note 3 - Intangible assets**

Intangible assets mainly consist of intellectual property rights and other intangible assets

	31 December 2017 TEUR	31 December 2016 TEUR
Cost at the beginning of the year	37,854	48,225
Additions	—	—
Disposals	—	(10,371)
Cost at the end of the year	<u>37,854</u>	<u>37,854</u>
Accumulated amortization at the beginning of the year	(9,022)	(3,609)
Amortization charged during the year	(5,412)	(5,413)
Disposals	—	—
Accumulated amortization at the end of the year	<u>(14,434)</u>	<u>(9,022)</u>
Net book value at the end of the year	<u>23,420</u>	<u>28,832</u>

**Note 4 - Tangible assets**

Tangible assets consist of furniture and equipment, leasehold improvements, technology infrastructure and tangible assets under development

	31 December 2017 TEUR	31 December 2016 TEUR
Cost at the beginning of the year	44,727	29,299
Additions	18,968	15,434
Disposals	(657)	(6)
Cost at the end of the year	<u>63,038</u>	<u>44,727</u>
Accumulated depreciation at the beginning of the year	(14,532)	(8,729)
Depreciation charged during the year	(8,678)	(5,808)
Disposals	648	5
Accumulated depreciation at the end of the year	<u>(22,562)</u>	<u>(14,532)</u>
Net book value at the end of the year	<u>40,476</u>	<u>30,195</u>

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**Notes to the annual accounts**  
As at 31 December 2017

**Note 5 - Shares in affiliated undertakings**

Undertakings in which the Company holds at least 20% of their share capital are as follows:

Company name	Ownership		Carrying amount		
	31 December	31 December	31 December	31 December	
	2017	2016	2017	2016	
	%	%	TEUR	TEUR	
Amazon UK Services Limited, UK	(1)	100%	100%	830,757	284,626
Amazon Data Services Ireland Limited, Ireland	(2)	100%	100%	534,440	434,440
Amazon Fulfillment Poland Sp z o.o., Poland	(3)	100%	100%	380,753	179,798
Amazon Italia Logistica S.r.l, Italy	(4)	100%	100%	164,010	20,010
Amazon Spain Fulfillment, S.L., Spain	(5)	100%	100%	159,211	89,011
Others	(6)			258,603	198,351
<b>Total</b>				2,327,774	1,206,236

- (1) In 2017, the Company increased its investment in Amazon UK Services Limited, UK by cash contributions of TGBP 485,000 (TEUR 546,131).
- (2) In April 2017, the Company increased its investment in Amazon Data Services Ireland Limited, Ireland by a cash contribution of TEUR 100,000.
- (3) In 2017, the Company increased its investment in Amazon Fulfillment Poland Sp. z o.o., Poland by cash contributions of TPLN 846,000 (TEUR 200,955).
- (4) In May 2017, the Company increased its investment in Amazon Italia Logistica S.r.l., Italy by a cash contribution of TEUR 144,000.
- (5) In 2017, the Company increased its investment in Amazon Spain Fulfillment, S.L., Spain by cash contributions of TEUR 70,200.
- (6) In December 2017, the Company increased its investment in Amazon Italia Services S.r.l., Italy by a cash contribution of TEUR 100,000. Subsequently, the Company recorded a value adjustment of TEUR 60,000 on its investment.

Art 65 paragraph (1) 2° of the amended law of 19 December 2002 on the register of commerce and companies and the accounting and annual accounts of undertakings (the "law") requires the disclosure of the amount of capital and reserves and profit and loss for the last financial year of each affiliated undertaking. In conformity with art 67 (3) of the law these details have been omitted since the undertakings are included in the consolidated annual accounts of Amazon.com, Inc..

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Notes to the annual accounts  
As at 31 December 2017

**Note 6 - Stocks**

	31 December 2017 TEUR	31 December 2016 TEUR
Stocks - gross	4 059,289	3,220,514
Provision for value adjustments	(317,531)	(246,010)
Stocks	<u>3,741,758</u>	<u>2,974,504</u>

**Note 7 - Trade debtors**

	31 December 2017 TEUR	31 December 2016 TEUR
Outstanding billed revenues	994,884	870,154
Provision for doubtful accounts	(38,937)	(33,081)
Trade debtors	<u>955,947</u>	<u>837,073</u>

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As at 31 December 2017

**Note 8 - Amounts owed by affiliated undertakings**

Company name	Becoming due and payable		Total as at 31 December	
	within 1 year TEUR	after 1 year TEUR	2017 TEUR	2016 TEUR
A100 ROW GmbH, Germany				
Loan	—	58,195	58,195	57,882
Interest	210	—	210	1
Amazon Italia Logistica S.r.l., Italy				
Loan	—	56,403	56,403	55,890
Interest	1	—	1	1
Amazon Connect Technology Services (Beijing) Co . Limited, People's Republic of China				
Loan	—	47,244	47,244	47,243
Interest	695	—	695	695
Amazon Europe Core S à r.l., Luxembourg	1,881,137	—	1,881,137	—
Amazon Services Europe S.à r l., Luxembourg	167,708	—	167,708	60,617
Others	50,927	1,258	52,185	88,484
	<u>2,100,678</u>	<u>163,100</u>	<u>2,263,778</u>	<u>310,813</u>

The amounts owed by affiliated undertakings mainly consist of loans and cash pooling arrangements.

The interest income related to loans amounts to TEUR 3,385 for the year ended 31 December 2017 (2016: TEUR 12,091).

**Note 9 - Investments**

The following table summarizes other investments:

	31 December	31 December
	2017	2016
	TEUR	TEUR
Short term deposits	327	—
Marketable securities	—	205,636
Total	<u>327</u>	<u>205,636</u>

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**Notes to the annual accounts**  
As at 31 December 2017

**Note 10 - Capital and reserves**

	31 December 2016 TEUR	Allocation of results TEUR	Capital increase TEUR	Translation adjustment TEUR	Results for the year TEUR	31 December 2017 TEUR
Subscribed capital	38	—	—	—	—	38
Share premium account	520,906	—	750,000	—	—	1,270,906
Revaluation reserve	61,342	—	—	(4,282)	—	57,060
Legal reserve	4	—	—	—	—	4
Other non available reserves	2,540	(969)	—	—	—	1,571
Profit or (loss) brought forward	274,320	44,035	—	—	—	318,355
Profit or (loss) for the financial year	43,066	(43,066)	—	—	(876,235)	(876,235)
<b>Total</b>	<b>902,216</b>	<b>—</b>	<b>750,000</b>	<b>(4,282)</b>	<b>(876,235)</b>	<b>771,699</b>

*Subscribed capital*

As at 31 December 2017, the subscribed capital amounts to TEUR 37.5 divided into 3 shares with a par value of TEUR 12.5 each

*Share premium account*

In December 2017, the company received a cash contribution of TEUR 750,000 allocated to the share premium account.

*Legal reserve*

In accordance with the Luxembourg company law, the Company is required to transfer a minimum of 5% of its net profit for each financial year to a legal reserve. This requirement ceases to be necessary once the legal reserve reaches 10% of the issued subscribed capital. The legal reserve is not available for distribution to the shareholder.

*Other non available reserves*

In accordance with Luxembourg tax law, in past years the Company allocated under "other non available reserves" amounts that corresponded to five times the amount of the Net Wealth Tax. This reserve is non-distributable for a period of five years from the year following the one during which the Net Wealth Tax was reduced.

**Note 11 - Trade creditors**

Trade creditors are due and payable within one year.

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**Notes to the annual accounts**  
As at 31 December 2017

**Note 12 - Amounts owed to affiliated undertakings**

Company name	Becoming due and payable		Total as at 31 December	
	within 1 year	after 1 year	2017	2016
	TEUR	TEUR	TEUR	TEUR
Amazon France Logistique S.A.S., France	39,720	---	39,720	78,435
Amazon Fulfillment Poland Sp. z o.o., Poland	29,578	—	29,578	20,327
Amazon Media EU S.à r.l., Luxembourg	29,094	—	29,094	261,585
Amazon Spain Fulfillment, S.L., Spain	27,002	—	27,002	31,335
Amazon UK Services Limited, UK	26,299	—	26,299	144,064
Amazon Italia Logistica S r l , Italy	24,321	---	24,321	35,292
Amazon Video Limited, UK	15,874	—	15,874	44,685
Amazon Deutschland Transport GmbH, Germany	13,387	—	13,387	6,872
Amazon Instant Video Germany GmbH, Germany	12,753	—	12,753	67,277
Amazon Development Center (Romania) S.R.L., Romania	12,560	—	12,560	—
Amazon Europe Core S à r.l., Luxembourg	—	—	—	390,842
Others	119,520	5,068	124,588	557,503
	350,108	5,068	355,176	1,638,217

The amounts owed to affiliated undertakings mainly consist of payables for services provided.

The interest expense related to loans amounts to TEUR 1,391 for the year ended 31 December 2017 (2016: TEUR 19,751).

**Note 13 - Tax**

The Company is subject to all taxes applicable to commercial companies in Luxembourg, France, Germany, Italy, Spain and the United Kingdom. The Company has secured approval in conformity with Article 164 bis of the Luxembourg law on income tax, for the fiscal consolidation of the Company with Amazon Europe Core S.à r.l., Amazon Media EU S.à r.l., Amazon Payments Europe S.C.A., Amazon Services Europe S.à r.l., FinLux S.à r.l. and Twitch Europe S.à r.l.. The Company is under, or may be subject to, audit or examination and additional assessments by relevant authorities of these particular jurisdictions. Although we believe our tax estimates are reasonable, the final outcome of such tax audits, examinations, or additional assessments could result in tax liabilities or payments that are materially different from our historical income tax provisions and accruals.

The Company was under examination or investigation by the French Tax Administration ("FTA") for calendar year 2006 and thereafter. In September 2012, we received proposed tax assessment notices for calendar years 2006 through 2010 relating to the allocation of income between foreign jurisdictions. In June 2015, we received final tax collection notices for these years assessing additional French taxes, interest, and penalties through September 2012. In December 2017, we settled this dispute with the FTA and included the impact thereof within our annual accounts.



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Notes to the annual accounts  
As at 31 December 2017

**Note 13 - Tax (continued)**

In October 2014, the European Commission opened a formal investigation to examine whether decisions by the tax authorities in Luxembourg with regard to the corporate income tax paid by the Company and certain of its Luxembourg affiliates comply with European Union rules on state aid. On October 4, 2017, the European Commission announced its decision that determinations by the tax authorities in Luxembourg did not comply with European Union rules on state aid. This decision orders Luxembourg to calculate and recover additional taxes from us for the period May 2006 through June 2014. We believe this decision to be without merit and will consider our legal options, including an appeal. In December 2017, Luxembourg appealed the European Commission's decision. While the European Commission announced an estimated recovery amount of approximately €250 million, plus interest, the actual amount of additional taxes subject to recovery is to be calculated by the Luxembourg tax authorities in accordance with the European Commission's guidance. Once the recovery amount is computed by Luxembourg, we anticipate funding it, including interest, into escrow, where it will remain pending conclusion of all appeals. We may be required to fund into escrow an amount in excess of the estimated recovery amount announced by the European Commission.

**Note 14 - Other creditors**

Debts are recorded at their repayment value and summarized as follows:

	Becoming due and payable		Total at at 31 December	
	within 1 year	after 1 year	2017	2016
	TEUR	TEUR	TEUR	TEUR
Sales and related services	159,876	—	159,876	215,572
Other	56,147	87,879	144,026	110,902
	<u>216,023</u>	<u>87,879</u>	<u>303,902</u>	<u>326,474</u>

**Note 15 - Deferred income**

Deferred income is recorded when payments are received in advance of performing service obligations and mainly consists of unredeemed gift certificates and membership subscriptions.

**Note 16 - Other external expenses**

Other external expenses are related to the operations of the Company, including provision of services from affiliated undertakings

**Note 17 - Staff costs**

The Company employed an average of 3,312 employees during the financial year 2017 (2016. 2,537)

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**Notes to the annual accounts**  
As at 31 December 2017

**Note 18 - Emoluments**

No emoluments, advances or credits were granted to the Board of Managers during the current and previous financial years.

**Note 19 - Other operating expenses**

Other operating expenses are primarily related to license agreements and royalties with third parties and affiliated undertakings.

**Note 20 - Other interest receivable and similar income**

Other interest receivable and similar income are primarily related to realized foreign exchange gains

**Note 21 - Interest payable and similar expenses**

Interest payable and similar expenses are primarily related to foreign exchange losses.

**Note 22 - Litigation**

The Company and its operations are subject to various lawsuits that have arisen in the course of business. Management is of the opinion that the ultimate outcome of such litigation is not anticipated to have a material adverse effect on the Company's annual accounts.

**Note 23 - Commitments and contingencies**

At 31 December 2017, the operating lease commitment amounts to TEUR 90,031 (2016: TEUR 37,595).

During the ordinary course of business, the Company provides guarantees, including guarantees for property leases on behalf of its affiliated undertakings.

See also "Note 13 - Tax".



**The Overseas Section  
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The undersigned, Eva Gehlin, as a duly elected, qualified and acting manager of Amazon EU S.à r.l., does hereby confirm that the accounts of the overseas company Amazon EU S.à r.l. are being filed against the UK registered entity Amazon EU SARL, UK Branch.

On behalf of Amazon EU S.à r.l.

A handwritten signature in black ink, appearing to be "Eg", written over a horizontal line.

Eva Gehlin  
Manager

AMAZON EU SOCIÉTÉ À RESPONSABILITÉ LIMITÉE  
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