Amazon.co.uk Ltd.

Report and Financial Statements

31 December 2008

Registered No: 3223028

Directors
Michael D Deal
Brian McBride
Shaun McCabe (appointed 1 April 2008)
Martin Sharples (appointed 1 April 2008)

Co –Secretary
Mitre Secretaries Limited
Vincent Collins (appointed 1 April 2008)

Auditors
Ernst & Young LLP
Apex Plaza
Forbury Road
Reading
Berkshire
RG1 1YE

Bankers
Deutsche Bank AG
Winchester House
1 Great Winchester Street
London
EC2N 2DB

Solicitors
Cameron McKenna
Mitre House
160 Aldersgate Street
London
EC1A 4DD

Registered office
Patriot Court
1-9 The Grove
Slough
Berkshire
SL1 1QP

Directors' report

The directors present their report and financial statements for the year ended 31 December 2008.

Financial results and dividends

The loss for the year amounted to £1,014,475 (2007 : loss of £817,927). The directors do not recommend the payment of any dividends (2007: £nil).

Principal activity and review of the business

The principal activity of the company during the year was the provision of fulfilment, marketing and support services to other group undertakings.

The key performance measurement for the company is the control of administrative expenses. As part of the budgetary process, targets are set with respect to administrative expenses in order to effectively manage the activities of the company. Performance against targets is reviewed on a regular basis and appropriate actions are taken as required.

Future developments

The directors aim to maintain the management policies and processes that support the principal activity of the company. The company is continually reviewing and refining these policies to improve the framework of financial control and manage the costs effectively.

Principal risk and uncertainties

The company is dependent on the continued success of the Amazon.com group companies. The principal risks and uncertainties they face include, among others, risks related to competition, management of growth, new products, services and technologies, potential fluctuations in operating results, international expansion, outcomes of legal proceedings and claims, fulfilment centre optimisation, seasonality, commercial agreements, acquisitions and strategic transactions, foreign exchange rates, system interruption, inventory, government regulation and taxation, payments and fraud. More information about the principal risks and uncertainties facing the group are included in Amazon.com, Inc.'s filings with the U.S. Securities and Exchange Commission, including its Annual Report on Form 10-K for the year ended December 31, 2008, and subsequent filings.

Employees

The company is committed to providing equal opportunities for everyone who works at the company, including anyone who applies to work for the company or has worked for the company. This policy applies to all employees, anyone working for any of the company's business units or anyone visiting the company's premises.

All applications from disabled persons are fully considered. Should an employee become disabled, it is the group's practice to continue their current employment where possible or offer suitable alternatives. It is the policy of the group that the training, career development and promotion of disabled persons should, as far as possible, be identical with that of other employees.

The company's aim is to ensure that everyone achieves their full potential and that employment decisions and actions are not taken on discriminatory grounds.

Health and safety

The company considers that the health and safety of its workforce is very important. The company's policy therefore sets out its commitment to health and safety. The policy applies to all employees and anyone working for the company in any of its business units or who are visiting any of the company's premises. It is the company's policy to operate its business in accordance with the Health and Safety at Work Act 1974 and all applicable regulations made under this legislation so far as is reasonably practicable. This policy

Directors' report (continued)

will be regularly reviewed and revised, as appropriate, to take into account changes in circumstances or in legal requirements.

Corporate responsibility

The company recognises that, as part of a wider community of employees, shareholders, customers suppliers and others, it has a responsibility to act in a way that respects the environment and minimises any adverse impacts caused by its operations.

The company believes that the online shopping business it supports is inherently more environmentally friendly than traditional retailing and the company is constantly looking for ways to further reduce our environmental impact. Through our corporate responsibility practices, the company aims to:

- Meet all relevant legislative requirements on environmental issues; and
- Conserve energy and natural resources by minimising waste, and recycling where practicable.

Directors' liability

The company has indemnified one or more of the directors of the company against liability in respect of proceedings brought by third parties subject to the conditions set out in the Companies Act 1985. Such qualifying third party indemnity provisions were in force during the year and are in force as at the date of approving the director's report.

Supplier payment policy

The company's policy is to abide by the agreed terms of payment with suppliers where the goods and services have been supplied in accordance with the relevant terms and conditions of the contract.

Financial risk management

The directors have not disclosed the company's financial risk management objectives and policies nor the company's exposure to price risk, credit risk, liquidity risk and cash flow risk as such information is not considered material for the assessment of company's assets, liabilities, financial position, profit after taxation and profit for the financial year.

Directors and their interests

The directors who served the company during the year were as follows:

Brian McBride	
Michael D Deal	
Shaun McCabe	(appointed 1 April 2008)
Martin Sharples	(appointed 1 April 2008)
Michael Roth	(resigned 1 April 2008)
Allan Lyall	(resigned 1 April 2008)

No directors held any interest in the share capital of the company during the year.

Directors' report (continued)

Directors statement as to disclosure of information to Auditors

So far as each Director is aware, there is no relevant audit information (that is, information needed by the company's auditors in connection with preparing their report) of which the company's auditors are unaware.

Each Director has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

Auditors

The auditors, Ernst & Young LLP, have indicated their willingness to continue in office and a resolution confirming their re-appointment will be proposed at the Annual General Meeting.

On behalf of the Board

Brian McBride
Director

Date: 20/5/2009

Statement of directors' responsibilities in respect of the financial statements

The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing those financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Independent auditors' report
to the members of Amazon.co.uk Limited

We have audited the company's financial statements for the year ended 31 December 2008 which comprise the Profit and Loss Account, Balance Sheet and the related notes 1 to 17. These financial statements have been prepared on the basis of the accounting policies set out therein.

This report is made solely to the company's members, as a body, in accordance with Section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors
As described in the Statement of Directors' Responsibilities the company's directors are responsible for the preparation of the financial statements in accordance with applicable United Kingdom law and accounting standards.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and United Kingdom Auditing Standards.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you if, in our opinion, the Directors' Report is not consistent with the financial statements, if the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and transactions with the company is not disclosed.

We read the Directors' Report and consider the implications for our report if we become aware of any apparent misstatements within it.

Basis of audit opinion
We conducted our audit in accordance with United Kingdom Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Independent auditors' report
to the members of Amazon.co.uk Limited

Opinion
In our opinion:

- the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the company's affairs as at 31 December 2008 and of its loss for the year then ended;
- the financial statements have been properly prepared in accordance with the Companies Act 1985; and
- the information given in the directors' report is consistent with the financial statements.

Ernst & Young LLP
Registered Auditor
Reading

Ernst & Young LLP

Date: 22/5/09

Profit and loss account

for the year ended 31 December 2008

	Notes	*2008* £	*2007* £
Turnover	2	94,315,400	81,033,464
Administrative expenses		(94,966,668)	(80,598,696)
Operating (loss)/profit	3	(651,268)	434,768
Interest receivable	6	79,160	93,137
Interest payable	7	(213,478)	(206,688)
(Loss)/profit on ordinary activities before taxation		(785,586)	321,217
Tax expense on (loss)/profit from ordinary activities	8	(228,889)	(1,139,144)
(Loss) transferred to reserves		(1,014,475)	(817,927)

There are no recognised gains or losses other than the loss of £1,014,475 attributable to the shareholder for the year ended 31 December 2008 (2007: loss of £817,927).

Balance sheet
at 31 December 2008

	Notes	2008 £	2007 £
Fixed assets			
Tangible assets	9	23,780,962	19,698,410
Current assets			
Debtors:			
Amounts falling due within one year	10a	39,064,312	36,209,037
Amounts falling due after more than one year	10b	739,867	706,823
Cash at bank		148,461	4,271,179
		39,952,640	41,187,039
Creditors: amounts falling due within one year	11a	(18,947,490)	(22,731,799)
Net current assets		21,005,150	18,455,240
Total assets less current liabilities		44,786,112	38,153,650
Creditors: amounts falling due after more than one year	11b	(3,992,630)	(2,631,793)
Net assets		40,793,482	35,521,857
Capital and Reserves			
Called up share capital	14	9,366,036	9,366,036
Other reserves	15	11,802,395	11,802,395
Share based awards	15	14,747,593	8,461,493
Profit and loss account	15	4,877,458	5,891,933
Equity shareholder's funds	15	40,793,482	35,521,857

Approved by the Board

Brian McBride
Director

Date: 20/5/2009

Notes to the financial statements
at 31 December 2008

1. Accounting policies

Basis of preparation
The financial statements have been prepared in accordance with applicable accounting standards and under the historical cost convention. The principal accounting policies which have been continuously followed are set out below:

Cash flow statement
The directors have taken advantage of the exemption in Financial Reporting Standard No 1 (revised) from including a cash flow statement in the financial statements on the grounds that the company is wholly owned and its ultimate parent publishes consolidated financial statements.

Fixed assets
All fixed assets are initially recorded at cost.

Depreciation
Depreciation is provided on all tangible fixed assets, at rates calculated to write off the cost, less estimated residual value based on prices prevailing at the date of acquisition of each asset evenly over its expected useful life, as follows:

Plant & Machinery	-	10 years
Office Equipment	-	2 - 5 years
Leasehold Improvements	-	Lower of expected useful life or lease term
Computer Equipment	-	2 years

Deferred taxation
Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events have occurred at that date that will result in an obligation to pay more, or a right to pay less or to receive more, tax, with the following exception:

- deferred tax assets are recognised only to the extent that the directors consider that it is more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax is measured on an undiscounted basis at the tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date.

Foreign currencies
Transactions in foreign currencies are recorded at the rate ruling at the date of transaction.

Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the balance sheet date.

All differences are taken to the profit and loss account.

Share based awards
In accordance with FRS 20, the fair value of equity-settled share based awards to eligible employees is determined at the date of grant and is expensed over the vesting period based on the company's estimate of equity awards that will eventually vest. A corresponding entry is recognised in equity. (Further details set out in note 17.)

Notes to the financial statements
at 31 December 2008

1. Accounting policies (continued)

Leasing and hire purchase commitments
Assets held under finance leases, which are leases where substantially all the risks and rewards of ownership of the asset have passed to the company, and hire purchase contracts are capitalised in the balance sheet and are depreciated over their useful lives. The capital elements of future obligations under the leases and hire purchase contracts are included as liabilities in the balance sheet.

The interest elements of the rental obligations are charged in the profit and loss account over the periods of the leases and hire purchase contracts and represent a constant proportion of the balance of capital repayments outstanding.

Rentals payable under operating leases are charged in the profit and loss account on a straight line basis over the lease term.

Pension costs
The company operates a defined contribution pension scheme. Contributions are charged to the profit and loss account as they become payable in accordance with the rules of the scheme.

2. Turnover
Turnover, which is stated net of value added tax, represents amounts invoiced to other group companies and is attributable to the company's principal activities.

Turnover by geographical segment has not been disclosed because, in the opinion of the directors, it would be prejudicial to the interests of the company to do so.

3. Operating (loss)/profit
This is stated after charging/(crediting):

		2008	*2007*
		£	*£*
Auditors' remuneration	- audit of the financial statements	21,500	43,932
Depreciation of owned fixed assets		4,665,094	3,744,146
Operating lease rentals	- land and buildings	6,784,658	5,297,946
	- plant and machinery	409,675	396,222
Net gain on foreign currency translation		(204,913)	(328,394)

4. Staff costs

	2008	*2007*
	£	*£*
Wages and salaries	42,493,148	38,293,561
Social security costs	4,590,027	4,050,031
Staff pension contributions	959,207	866,839
Share based awards	6,286,100	4,435,241
	54,328,482	47,645,672

Notes to the financial statements
at 31 December 2008

4. Staff costs (continued)

The monthly average number of employees during the period was as follows:

	2008	*2007*
	No.	*No.*
Management and administration staff	1,661	1,448

5. Directors' emoluments

	2008	*2007*
	£	*£*
Aggregate emoluments in respect of qualifying services	499,883	382,331
Value of company pension contributions to money purchase schemes	19,832	10,938

	2008	*2007*
	No.	*No.*
Members of money purchase pension schemes	4	3
Directors who received share based awards	4	2
Directors who vested in or exercised share based awards	4	3

The amounts in respect of the highest paid director are as follows:

	2008	*2007*
	£	*£*
Emoluments	215,326	233,333
Company contributions to money purchase pension schemes	5,625	5,833

The highest paid director in 2008 and in 2007 vested in share based awards during the year.

Certain directors' emoluments have been borne by the ultimate parent company, Amazon.com Inc., or one of its affiliated companies. These directors are also directors or officers of a number of companies within the Amazon Group. These directors' services to the company do not occupy a significant amount of their time. As such these directors do not consider that they have received any remuneration for their incidental services to the company for the years ended 31 December 2008 and 31 December 2007.

Notes to the financial statements
at 31 December 2008

6. Interest receivable

	2008	*2007*
	£	*£*
Interest receivable, net	66,232	64,555
Group interest receivable	12,928	28,582
	79,160	93,137

7. Interest payable

	2008	*2007*
	£	*£*
Other interest payable	213,478	206,688

8. Taxation

8(a) Tax on (loss)/profit on ordinary activities
The tax expense is made up as follows:

	2008	*2007*
	£	*£*
Current tax:		
UK corporation tax	-	19,367
Adjustment in respect of previous periods	152,893	1,576,397
Total current tax expense (note 8(b))	152,893	1,595,764
Deferred Tax:		
Current year	122,916	(535,283)
Adjustment in respect of prior years	(46,920)	78,663
Total deferred tax expense/(benefit)	75,996	(456,620)
Tax expense on (loss)/profit from ordinary activities	228,889	1,139,144

8(b) Factors affecting current tax charge
The tax assessed on the loss on ordinary activities for the year is higher than the standard rate of corporation tax in the UK of 28% (2007: 30%). The differences are reconciled overleaf:

Notes to the financial statements
at 31 December 2008

8. Taxation (continued)

	2008 £	*2007* £
(Loss)/profit on ordinary activities before taxation	(785,586)	321,217
(Loss)/profit on ordinary activities by rate of tax of 28% (2007: 30%)	(219,964)	96,365
Expenses not deductible for tax	224,342	208,991
Timing differences on share based awards	(453,045)	(410,844)
Timing differences on general provisions	11,480	-
Timing differences on capital allowance claims	91,885	(154,937)
Adjustments in respect of prior years	(432,630)	1,576,397
Unrelieved tax losses in current year	930,825	279,792
Total current tax (note 8(a))	152,893	1,595,764

8(c) Deferred tax
The deferred taxation asset recognised in the financial statements is as follows:

	2008 £	*2007* £
Timing differences on capital allowance claims	(1,140,739)	(1,041,552)
Timing differences related to shared based awards	1,869,126	1,415,256
Tax losses available	-	333,119
Other timing differences	11,480	-
Deferred tax asset (note 10(b))	739,867	706,823

The deferred tax asset not recognised in the financial statements is as follows:

	2008 £	*2007* £
Tax losses available	1,358,016	-

In financial year 2008, the UK corporation tax rate has reduced from 30% to 28%. This rate change will affect the amount of future cash tax payments to be made by the company and has reduced the company's deferred tax asset. Changes to the UK capital allowance regime have also been made; the most significant of these changes for the company is the reduction in the rate of capital allowances applicable to plant and machinery expenditure from 25% to 20% per annum on a reducing balance basis from 1 April 2008. The effect on the company of these changes to the UK tax system have been fully reflected in the company's financial statements for the year ending 31 December 2008.

Notes to the financial statements

at 31 December 2008

9. Tangible fixed assets

	Leasehold Improvements £	*Plant & Machinery* £	*Office Equipment* £	*Computer Equipment* £	*Total* £
Cost:					
At 1 January 2008	10,016,455	19,466,111	6,319,632	6,227,517	42,029,715
Additions	893,550	4,529,694	1,970,460	1,380,227	8,773,931
Disposals	-	(8,560)	(2,487)	(46,930)	(57,977)
At 31 December 2008	10,910,005	23,987,245	8,287,605	7,560,814	50,745,669
Depreciation:					
At 1 January 2008	6,113,637	6,774,557	4,876,130	4,566,981	22,331,305
Provided during the year	605,802	2,014,930	1,024,440	1,019,922	4,665,094
Disposals	-	(214)	(2,487)	(28,991)	(31,692)
At 31 December 2008	6,719,439	8,789,273	5,898,083	5,557,912	26,964,707
Net book value:					
At 31 December 2008	4,190,566	15,197,972	2,389,522	2,002,902	23,780,962
At 31 December 2007	3,902,818	12,691,554	1,443,502	1,660,536	19,698,410

10. Debtors

	2008 £	*2007* £
10(a) Amounts falling due within one year		
Amounts owed by group undertakings	36,639,898	34,098,326
Other debtors	35,718	79,608
Prepayments and accrued income	2,388,696	2,031,103
	39,064,312	36,209,037
10(b) Amounts falling due after more one year		
Deferred tax asset	739,867	706,823

11. Creditors

	2008 £	*2007* £
11(a) Amounts falling due within one year		
Trade creditors	4,760,784	6,278,593
Amounts owed to group undertakings	3,065,942	6,186,247
Other taxation and social security	4,627,986	4,196,273
Accruals and deferred income	6,278,371	5,840,090
Corporation tax payable	214,407	230,596
	18,947,490	22,731,799

Notes to the financial statements
at 31 December 2008

11. Creditors (continued)

11(b) Amounts falling due after more than one year	*2008* £	*2007* £
Other long term creditors	3,992,630	2,631,793

12. Commitments under operating leases

At 31 December 2008 the total of future minimum lease payments under non cancellable operating leases for each of the following periods was:

	2008 *Land and buildings* £	*2007* *Land and buildings* £
Within one year	5,463,610	5,043,621
Later than one year and not later than five years	28,099,818	24,559,798
Later than five years	37,496,653	23,040,367
	71,060,081	52,643,786

13. Related party transactions

In accordance with the exemption stated in FRS 8 no details are shown of related party transactions with the company's parent and fellow subsidiaries within the Amazon.com, Inc. group, as it holds 90% or more of the voting rights.

14. Share capital

		Authorised
	2008	*2007*
	£	£
Ordinary shares of £1 each	40,000,000	40,000,000

	Allotted, called up and fully paid			
	2008		*2007*	
	No.	£	*No.*	£
Ordinary shares of £1 each	9,366,036	9,366,036	9,366,036	9,366,036

Notes to the financial statements
at 31 December 2008

15. Reconciliation of shareholders' funds and movement on reserves

	Share Capital	Other Reserve	Share based Payments	Profit & Loss Account	Total Share-holders' funds
At 31 December 2006	9,366,036	11,802,395	4,026,252	6,709,860	31,904,543
Loss for the year	-	-	-	(817,927)	(817,927)
Share based awards	-	-	4,435,241	-	4,435,241
At 31 December 2007	9,366,036	11,802,395	8,461,493	5,891,933	35,521,857
Loss for the year	-	-	-	(1,014,475)	(1,014,475)
Share based awards	-	-	6,286,100	-	6,286,100
At 31 December 2008	9,366,036	11,802,395	14,747,593	4,877,458	40,793,482

16. Ultimate parent company

The company's parent undertaking is Amazon EU Sarl, a company incorporated in Luxembourg. The ultimate controlling entity is Amazon.com, Inc., a company incorporated in the United States of America. It has included the company in its group financial statements, copies of which are available from its headquarters at 1200-12th Avenue South, Suite 1200, Seattle, Washington 98144, USA.

17. Share based award plans

Amazon.com, Inc. ("Amazon") may grant equity awards to employees, officers and directors of Amazon and its subsidiaries which include Amazon.co.uk Ltd, as well as to consultants, agents, advisors and independent contractors, pursuant to Amazon's 1997 Stock Incentive Plan (the "1997 Plan") and Amazon's 1999 Nonofficer Employee Stock Option Plan (the "1999 Plan"). Amazon may grant equity awards in the form of stock options, stock, or restricted stock units ("RSUs"). Equity awards are evidenced by, and subject to the terms and conditions of, an agreement between the recipient and Amazon, as well as the terms and conditions of the applicable plan (and, where applicable, sub-plans in jurisdictions where local tax law or other regulations merit their adoption, such as in the U.K.). The following paragraphs describe the terms and conditions generally applicable to equity awards granted by Amazon under the 1997 and 1999 Plans.

During 2008 and 2007, RSUs were the primary type of equity award granted. RSUs are granted from the 1997 Plan. RSUs represent the right to receive shares of common stock of Amazon, on a one-for-one basis, upon vesting. There is no exercise price associated with an RSU. Employees vest in RSUs and stock options over a specified course of time that the employee provides service to Amazon or one or more of its subsidiaries. Typically, the service terms for vesting are between two and five years.

To exercise the stock option, the optionee must submit full payment of the exercise price to Amazon, in cash or check, by tendering shares the optionee has owned for at least six months, by a broker-assisted cashless exercise, by a combination of the foregoing, or with such other consideration as the plan administrator may permit. Stock options generally have a term of ten years from the date of grant.

Notes to the financial statements
at 31 December 2008

17. Share based award plans (continued)

Unvested portions of equity awards are subject to forfeiture if the holder's employment or other service relationship with Amazon (including its subsidiaries) terminates.

In accordance with the transition provisions, FRS 20 has been applied to all grants after 7 November 2002 that were unvested as of 1 January 2005. Since October 2002, Amazon has only granted restricted stock units which are valued at the average of the high and low share price on the date of grant.

The following table reconciles the number of stock options outstanding and the Weighted Average Exercise Price (WAEP) of the stock options outstanding.

	2008		*2007*	
Stock Options	*Options*	*WAEP £*	*Options*	*WAEP £*
Outstanding at the beginning of the year	29,371	13.33	156,996	9.22
Granted during the year	-	-	-	-
Forfeited during the year (cancelled)	3,960	48.77	11,249	8.74
Exercised during the year	4,177	11.34	116,376	7.86
Outstanding at the end of the year	21,234	12.21	29,371	13.33
Exercisable as at 31 December	18,078	12.71	24,921	14.19
Range of exercise price		£5.43 to £64.03		£3.99 to £47.10

For stock options exercised during the period, the weighted average share price at the date of exercise for the options is £42.49 in 2008 and £31.37 in 2007.

For the stock options outstanding as at 31 December 2008 and 31 December 2007, the weighted average remaining contractual life is 3.44 years and 3.97 years respectively.

At 31 December 2008, employees of the company held 588,976 unvested RSUs (2007: 673,442). The weighted average fair value of these RSUs was £37.65 at 31 December 2008 (2007: £21.05).