Company No 3223028

Amazon.co.uk Limited
Report and Financial Statements

31 December 2010

TABLE OF CONTENTS **PAGE**

DIRECTORS

Michael Deal
Christopher North
Arthur L Valdez Jr
Allister Byrne

SECRETARY

Mitre Secretaries Limited

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DIRECTORS' REPORT
for the year ended 31 December 2010

The directors present their report and financial statements for the year ended 31 December 2010 for Amazon co uk Limited (**"the Company"**) The ultimate controlling entity is Amazon com, Inc , a company incorporated in the United States of America (**"Amazon" or "the Group"**)

FINANCIAL RESULTS AND DIVIDENDS

Administrative expenses increased by 33% in 2010 to £150,128,000 (2009 £113,072,000) primarily due to a 21% increase in headcount and the Company made an operating loss for the year of £2,825,000 (2009 loss of £2,945,000) The operating results are stated after a share based payment expense of £9,805,000 (2009 £7,993,000) The directors do not recommend the payment of any dividends (2009 £nil)

PRINCIPAL ACTIVITY AND REVIEW OF THE BUSINESS

The principal activity of the Company is the provision of fulfilment, marketing and support services to other group undertakings

The key performance indicator 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 is reviewed on a regular basis and appropriate actions are taken as required

The directors have a reasonable expectation that the Company has adequate resources to continue as an operational business for the foreseeable future The financial statements have therefore been prepared on a going concern basis

Turnover has increased as the Company continues to support the growth of the Group

During the year, the Company continued to expand its Fulfillment Centres, resulting in an increase of fixed assets of 47% to £44,283,000 (2009 £30,095,000)

The occupancy of the above mentioned facilities has resulted in an increase of trade creditors of 168% to £11,461,000 (2009 £4,273,000)

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 RISKS AND UNCERTAINITIES

The Company is dependent on the continued success of the Amazon 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, 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, 2010, and subsequent filings

DIRECTORS' REPORT (continued)
for the year ended 31 December 2010

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

The Company ensures that all employees in the UK have the opportunity to contribute to aspects of Amazon's business Part of that contribution is realised through free flow of ideas and exchange of viewpoints through periodic meetings between management and employees, email announcements and the intranet site Management keeps employees aware of the financial and commercial progress of Amazon's business and expect employees to ask questions, suggest improvements, and raise concerns Such dialogue is celebrated and encouraged, as it is vital to the existence of a healthy, enterprising and a rewarding workplace The Company encourages employees to participate in the performance of the Amazon group through ownership of Amazon shares

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

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 and loss for the financial year

DIRECTORS' REPORT (continued)
for the year ended 31 December 2010

DIRECTORS AND THEIR INTERESTS

The directors who served the Company during the year and to the date of this report are as follows

Michael Deal	
Brian McBride	(Resigned 17 February, 2011)
Shaun McCabe	(Resigned 15 October 2010)
Arthur L Valdez Jr	
Allister Byrne	(Appointed 15 October, 2010)
Christopher North	(Appointed 17 February, 2011)

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

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 s234 of the Companies Act 2006 Such qualifying third party indemnity provisions were in force during the year and are in force as at the date of approving the directors' report

DISCLOSURE OF INFORMATION TO AUDITORS

So far as each Director is aware at the date of approving this report, there is no relevant audit information, being information needed by the auditor in connection with preparing its report, of which the auditor is unaware Each Director has taken all the steps that he is obliged to take as the Director in order to make himself aware of any relevant audit information and to establish that the auditor is aware of that information

AUDITOR

In accordance with s485 of the Companies Act 2006, a resolution is to be proposed at the Annual General Meeting for reappointment of Ernst & Young LLP as auditor of the Company

On behalf of the Board

Christopher North
Director

Date 17 March 2011

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the Directors' 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 Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law) Under Company Law, the directors must not approve the financial statements unless they are satisfied that they 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 UK 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 adequate accounting records that are sufficient to show and explain the Company's transactions and 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 2006 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 financial statements of Amazon co uk Limited for the year ended 31 December 2010 which comprise the Profit and Loss Account, the Balance Sheet and the related notes 1 to 19 The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice)

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006 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 auditor's 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 explained more fully in the Statement of Directors' Responsibilities, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland) Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors

Scope of the Audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error This includes an assessment of whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the directors, and the overall presentation of the financial statements

Opinion on financial statements

In our opinion the financial statements

- give a true and fair view of the state of the company's affairs as at 31 December 2010 and of its loss for the year then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF AMAZON.CO.UK LIMITED (continued)

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us, or
- the financial statements are not in agreement with the accounting records and returns, or
- certain disclosures of directors' remuneration specified by law are not made, or
- we have not received all the information and explanation we require for our audit

Ernst + Young LLP

Kevin Harkin (Senior Statutory Auditor)
For and on behalf of Ernst & Young LLP, Statutory Auditors
Reading

Date 18 March 2011

PROFIT AND LOSS ACCOUNT
for the year ended 31 December 2010

	Notes	2010 £'000	2009 £'000
TURNOVER	2	147,303	110,127
Administrative expenses		(150,128)	(113,072)
OPERATING LOSS	3	(2,825)	(2,945)
Interest receivable	6	305	491
Interest payable	7	15	(870)
LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION		(2,505)	(3,324)
Tax (charge)/credit on loss on ordinary activities	8	(517)	1,253
LOSS FOR THE FINANCIAL YEAR		(3,022)	(2,071)

All amounts above arise from continuing operations

The company has no recognised gains and losses other than those included in the results above, and therefore no separate statement of total recognised gains and losses has been prepared

BALANCE SHEET
as at 31 December 2010

	Notes	*2010* *£'000*	*2009* *£'000*
FIXED ASSETS			
Tangible assets	9	44,283	30,095
CURRENT ASSETS			
Debtors			
amounts falling due within one year	10(a)	41,164	41,726
amounts falling due after one year	10(b)	1,319	1,842
Cash at bank		520	250
		43,003	43,818
CREDITORS: amounts falling due within one year	11(a)	(25,217)	(18,682)
NET CURRENT ASSETS		17,786	25,136
TOTAL ASSETS LESS CURRENT LIABILITIES		62,069	55,231
CREDITORS: amounts falling due after more than one year	11(b)	(4,872)	(4,429)
PROVISION FOR LIABILITIES	12	(2,592)	(2,179)
DEFERRED INCOME: Deferred government grants	13	(1,107)	(1,908)
NET ASSETS		53,498	46,715
CAPITAL AND RESERVES			
Called up share capital	17	9,366	9,366
Other reserves	18	11,802	11,802
Share based awards reserve	18	32,546	22,741
Profit and loss account	18	(216)	2,806
SHAREHOLDERS' FUNDS		53,498	46,715

Approved by the Board

Christopher North
Director

Date 17 March 2011

Company Number 3223028

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 December 2010

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

Turnover
Turnover, which is stated net of value added tax, represents amounts invoiced to other group companies and is attributable to the principal activity of the Company

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 including a cash flow statement

Tangible fixed assets
All fixed assets are initially recorded at cost Costs comprise the purchase price and any direct costs incurred in bringing the asset to its location and condition for its intended use

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

The carrying value of tangible fixed assets is reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable

The Company makes provisions in respect of leasehold dilapidation commitments where it is probable that a transfer of economic benefits will be required to settle a present obligation The Company applies a weighted average cost of capital in order to take effect of the time value of money to arrive at the value of the leasehold dilapidation provision

Leases
No assets are held under finance leases Rentals payable under operating leases are charged in the profit and loss account on a straight line basis over the lease term Lease incentives are recognised over the shorter of the lease term and the date of the next rent review

Government Grants
Grants received are credited to the profit and loss account as the expenditure to which they relate is incurred

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

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 December 2010

1. ACCOUNTING POLICIES (continued)

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 tax or to receive more tax credits, with the exception that 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

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

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 19)

2. TURNOVER
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
This is stated after charging/(crediting)

		2010 *£'000*	*2009* *£'000*
Loss on sale of tangible fixed assets		45	-
Depreciation of tangible fixed assets		7,881	6,298
Operating lease rentals	- land and buildings	9,246	7,585
	- plant and machinery	858	492
Auditor's remuneration	- audit of the financial statements	25	22
Net loss on foreign currency translation		51	75
Government grant income		(801)	(625)

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 December 2010

4. STAFF COSTS

	2010 £'000	2009 £'000
Wages and salaries	58,683	48,196
Social security costs	6,177	5,064
Staff pension contributions	1,427	1,171
Equity settled share based awards (note 19)	9,805	7,993
	76,092	62,424

The monthly average number of employees during the year was as follows

	2010 No	2009 No
Management and administration staff	2,265	1,872

5. DIRECTORS' EMOLUMENTS

	2010 £'000	2009 £'000
Aggregate emoluments in respect of qualifying services	555	586
Value of Company pension contributions to money purchase schemes	15	23

	2010 No	2009 No
Members of money purchase pension schemes	2	3
Directors who received share based awards	2	2
Directors who vested in or exercised share based awards	3	3

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

	2010 £'000	2009 £'000
Aggregate emoluments in respect of qualifying services	200	253
Company contributions to money purchase pension schemes	10	8

The highest paid director in 2010 and in 2009 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 2010 and 31 December 2009

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 December 2010

6. INTEREST RECEIVABLE

	2010 *£'000*	*2009* *£'000*
Bank interest receivable	1	3
Interest receivable from Group companies	304	488
	305	491

7. INTEREST PAYABLE

	2010 *£'000*	*2009* *£'000*
Other interest payable	(15)	870

During the current year, a prior year over accrual for £15,000 was released against this account

8. TAXATION

(a) Tax on loss on ordinary activities

The tax credit is made up as follows

	2010 *£'000*	*2009* *£'000*
Current tax		
UK corporation tax	-	-
Adjustment in respect of previous periods	(6)	(151)
Total current tax credit (note 8(b))	(6)	(151)
Deferred tax		
Current year	(76)	(926)
Rate change adjustment	46	-
Adjustment in respect of prior years	553	(176)
Total deferred tax charge/(credit)	523	(1,102)
Tax charge/(credit) on loss on ordinary activities	517	(1,253)

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 December 2010

8. TAXATION (continued)

(b) Factors affecting current tax credit

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% (2009 28%) The differences are reconciled below

	2010 *£'000*	*2009* *£'000*
Loss on ordinary activities before taxation	(2,505)	(3,324)
Loss on ordinary activities multiplied by standard rate of corporation tax of 28% (2009 28%)	(701)	(931)
Expenses not deductible for tax	269	95
Timing differences on charitable contributions	-	1
Timing differences on share based awards	(1,701)	(1,045)
Timing differences on capital allowance claims	(110)	391
Adjustments in respect of prior years	(6)	(151)
Unrelieved tax losses in current year	2,243	1,489
Total current tax credit (note 8(a))	(6)	(151)

(c) Deferred tax

The deferred tax asset recognised in the financial statements is as follows

	2010 *£'000*	*2009* *£'000*
Timing differences on capital allowance claims	(1,655)	(849)
Timing differences related to shared based awards	2,973	2,689
Other timing differences	1	2
Total deferred tax asset recognised in the financial statements (note 10(b))	1,319	1,842

	£'000
Deferred tax asset at 1 January 2010	1,842
Deferred tax charge for the year	(477)
Rate change adjustment	(46)
Deferred tax asset at 31 December 2010	1,319

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

	2010 *£'000*	*2009* *£'000*
Tax losses available	5,328	2,707

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 December 2010

8. TAXATION (continued)

In his Budget of 22 June 2010, the Chancellor of the Exchequer announced Budget tax changes, which, if enacted in the proposed manner, will have an effect on the company's future tax position The budget proposed a decrease in the rate of UK corporation tax from 28% to 24% by 1% each year, from April 2011, which will be enacted annually, in separate Finance Acts in each of the four years This reduction will affect both the future and current tax charge of the Company

The effect on the company of these proposed changes to the UK tax system will be reflected in the Company's financial statements in future years, as appropriate, once the proposals have been substantively enacted

The Finance Bill 2010 which included the reduction in the UK corporation tax rate to 27% was substantially enacted on 21 July 2010 therefore deferred tax assets and liabilities as at 31 December 2010 have been calculated at this rate

Further from 1 April 2012, there will be a 2% reduction in the rates of capital allowances, the main rate pool going down from 20% to 18% and the special rate pool from 10% to 8%

9. TANGIBLE ASSETS

	Leasehold Improvements £'000	*Plant & Machinery £'000*	*Office Equipment £'000*	*Computer Equipment £'000*	*Total £'000*
Cost					
At 1 January 2010	12,564	30,916	11,320	8,429	63,229
Additions	527	13,815	5,193	2,626	22,161
Disposals	-	(75)	(626)	(1,640)	(2,341)
Reclassifications	(4,221)	5,045	(827)	3	-
At 31 December 2010	8,870	49,701	15,060	9,418	83,049
Depreciation					
At 1 January 2010	7,908	11,347	7,102	6,777	33,134
Provided during the year	644	3,554	2,257	1,426	7,881
Disposals	-	(24)	(586)	(1,639)	(2,249)
Reclassifications	(2,695)	2,809	(114)	-	-
At 31 December 2010	5,857	17,686	8,659	6,564	38,766
Net book value					
At 31 December 2010	3,013	32,015	6,401	2,854	44,283
At 1 January 2010	4,656	19,569	4,218	1,652	30,095

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2010

10. DEBTORS

	2010	*2009*
	£'000	*£'000*
(a) Amounts falling due within one year		
Amounts owed by group undertakings	31,463	39,060
Corporation tax receivable	676	-
Other debtors	5,023	39
Prepayments and accrued income	4,002	2,627
	41,164	41,726
(b) Amounts falling due after more one year		
Deferred tax asset	1,319	1,842

11. CREDITORS

(a) Amounts falling due within one year

	2010	*2009*
	£'000	*£'000*
Trade creditors	11,461	4,273
Amounts owed to group undertakings	299	5
Corporation tax payable	-	252
Other taxation and social security	2,470	6,908
Accruals and deferred income	10,987	7,244
	25,217	18,682

	2010	*2009*
(b) Amounts falling due after more than one year	*£'000*	*£'000*
Other long term creditors – lease incentives	4,872	4,429

12. PROVISION FOR LIABILITIES

	Leasehold Dilapidations £'000
At 1 January 2010	2,179
Provided during the year	413
At 31 December 2010	2,592

The provision held at 31 December 2010 is to cover estimated costs the Company may incur on exit of leasehold properties when the leases expire (see note 14)

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 December 2010

13. DEFERRED GOVERNMENT GRANTS

Cost	*£'000*
At 1 January 2010	3,605
Received during the year	-
At 31 December 2010	3,605
Amortisation	
At 1 January 2010	1,697
Released during the year	801
At 31 December 2010	2,498
Net Book Value	
At 31 December 2010	1,107
At 1 January 2010	1,908

14. COMMITMENTS UNDER OPERATING LEASES

Annual commitments under non cancellable operating leases are as follows

	2010 Land and buildings £'000	*2009 Land and buildings £'000*
Operating lease which expire		
Within one year	-	643
In two to five years	4,104	1,749
In over five years	5,998	3,317
	10,102	5,709

15. 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 as they are wholly owned subsidiaries of the Amazon group

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 December 2010

16. ULTIMATE PARENT COMPANY

The immediate parent company is Amazon EU Sarl which is incorporated in Luxembourg The address of this company is 5 rue Plaetis, L-2338 Luxembourg, Luxembourg

The Company regards Amazon com, Inc, a company incorporated in the United States, as its ultimate holding company The largest and the smallest group in which the results of the Company are consolidated is headed by Amazon com, Inc Copies of the group consolidated financial statements of Amazon com, Inc are available at 440 Terry Avenue North, Seattle, WA 98109-5210, USA

17. SHARE CAPITAL

	2010	*2009*
	£'000	*£'000*
Authorised		
Ordinary shares of £1 each	40,000	40,000

		2010		*2009*
	No	*£*	*No*	*£*
Allotted, called up and fully paid				
Ordinary shares of £1 each	9,366,036	9,366,036	9,366,036	9,366,036

18. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	Share capital	*Other reserve*	*Share based awards reserve*	*Profit and loss account*	*Total Shareholders' funds*
	£'000	*£'000*	*£'000*	*£'000*	*£'000*
At 1 January 2009	9,366	11,802	14,748	4,877	40,793
Loss for the year	-	-	-	(2,071)	(2,071)
Share based awards	-	-	7,993	-	7,993
At 31 December 2009	9,366	11,802	22,741	2,806	46,715
Loss for the year	-	-	-	(3,022)	(3,022)
Share based awards	-	-	9,805	-	9,805
At 31 December 2010	9,366	11,802	32,546	(216)	53,498

19. 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 Limited, 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 UK) The following paragraphs describe the terms and conditions generally applicable to equity awards granted by Amazon under the 1997 and 1999 Plans

During 2010 and 2009, 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

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 RSUs which are valued at the average of the high and low share price on the date of grant

The expense recognised for share based awards in respect of employee services received during the year to 31 December 2010 is £9,805,000 (2009 £7,993,000)

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 December 2010

19. SHARE BASED AWARD PLANS (continued)

Details of unvested stock (restricted stock units) awarded to employees are set out below

RSUs	2010		2009	
	Number	*Weighted Avg Share Price at grant date $*	*Number*	*Weighted Avg Share Price at grant date $*
Outstanding at the beginning of the year	529,439	66 28	588,976	54 98
Granted during the year	181,389	141 07	193,161	79 59
Forfeited during the year	(42,379)	86 07	(42,713)	64 30
Vested during the year [1]	(174,641)	65 11	(209,985)	47 21
Transfers out to other group undertakings	(38,638)	54 59	-	-
Outstanding at the end of the year	455,170	95 68	529,439	66 28

Scheduled vesting for outstanding restricted stock units as at December 31, 2010 was as follows

	2011	2012	2013	2014	Thereafter	Total
Scheduled vesting	170,711	157,541	78,771	35,638	12,509	455,170

[1] The weighted average share price at the date of share based award vesting was $136 60 (2009 $92 02)