

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 NOT for
You cannot use this form to
an alteration of manner of
with accounting requirements



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15/01/2016

#474

COMPANIES HOUSE

COMPANIES HOUSE

Part 1 Corporate company name

Corporate name of
overseas company ①

AMAZON EU SARL ~~UK BRANCH~~ ✓

UK establishment
number

B R 0 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 *

① 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 ②

Law of 19 December 2002 relating to Accounting & Annual Accounts

② 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

③ Please insert the name of the
appropriate accounting organisation
or body

Name of organisation
or body ③

Ministere De La Justice Du Grand-Duche de Luxembourg

A3 Accounts

Accounts

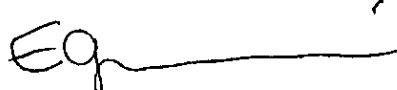
Have the accounts been audited? Please tick the appropriate box.

☐ 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'	1 Please insert the name of the appropriate accounting organisation or body
Name of organisation or body 1	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.	
Part 3 Signature		
I am signing this form on behalf of the overseas company		
Signature	<div>Signature</div> <div>X  X</div>	
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 or email 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

COMPANY NO! FC032354

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Registre de Commerce et des Sociétés

B101818 - L150074697

enregistré et déposé le 30/04/2015

RCSL Nr B101818

Matricule 2004 2413 314

BALANCE SHEET

Financial year from 01 01/01/2014 to 02 31/12/2014 (in 03 EUR)

Amazon EU S a r l

5, Rue Plaetis

L-2338 Luxembourg

ASSETS

	Reference(s)	Current year	Previous year
A. Subscribed capital unpaid			
I Subscribed capital not called	1101	101	102
II Subscribed capital called but unpaid	1103	103	104
	1105	105	106
B. Formation expenses	1107	107	108
C. Fixed assets			
I Intangible fixed assets	1109	1 778 025 864,00	110 1 764 026 252,00
1 Research and development costs	1111	49 187 137,00	112 192 997 795,00
2 Concessions, patents, licences, trade marks and similar rights and assets, if they were	1113		114
a) acquired for valuable consideration and need not be shown under C I 3	1115	49 187 137,00	116 192 997 795,00
b) created by the undertaking itself	1117	49 187 137,00	118 192 997 795,00
3 Goodwill, to the extent that it was acquired for valuable consideration	1119		120
4 Payments on account and intangible fixed assets under development	1121		122
II Tangible fixed assets	1123		124
1 Land and buildings	1125	9 479 300,00	126 8 107 446,00
2 Plant and machinery	1127		128
	1129		

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COMPANIES HOUSE

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

RCSL Nr B101818

Matricule 2004 2413 314

	Reference(s)	Current year	Previous year
3 Other fixtures and fittings, tools and equipment	1131	131 8 772 591,00	132 7 991 090,00
4 Payments on account and tangible fixed assets under development	1133	133 706 709,00	134 116 356,00
III Financial fixed assets	1135 5	135 1 719 359 427,00	136 1 562 921 011,00
1 Shares in affiliated undertakings	1137	137 1 719 359 427,00	138 1 562 921 011,00
2 Amounts owed by affiliated undertakings	1139	139	140
3 Shares in undertakings with which the undertaking is linked by virtue of participating interests	1141	141	142
4 Amounts owed by undertakings with which the undertaking is linked by virtue of participating interests	1143	143	144
5 Securities and other financial instruments held as fixed assets	1145	145	146
6 Loans and claims held as fixed assets	1147	147	148
7 Own shares or own corporate units	1149	149	150
D. Current assets	1151	151 5 864 385 562,00	152 5 356 001 766,00
I Inventories	1153 6	153 1 920 044 990,00	154 1 704 268 747,00
1 Raw materials and consumables	1155	155 6 865 276,00	156 5 179 217,00
2 Work and contracts in progress	1157	157	158
3 Finished goods and merchandise	1159	159 1 913 179 714,00	160 1 699 089 530,00
4 Payments on account	1161	161	162
II Debtors	1163	163 1 574 030 897,00	164 1 123 505 709,00
1 Trade receivables	1165 7	165 624 631 065,00	166 549 435 318,00
a) becoming due and payable within one year	1167	167 624 631 065,00	168 549 435 318,00
b) becoming due and payable after more than one year	1169	169	170
2 Amounts owed by affiliated undertakings	1171 8	171 943 500 263,00	172 549 424 236,00
a) becoming due and payable within one year	1173	173 559 392 426,00	174 392 511 371,00
b) becoming due and payable after more than one year	1175	175 384 107 837,00	176 156 912 865,00
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

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RCSL Nr B101818

Matricule 2004 2413 314

	Reference(s)	Current year	Previous year
4 Other receivables	1183	5 899 569,00	24 646 155,00
a) becoming due and payable within one year	1185	5 899 569,00	24 646 155,00
b) becoming due and payable after more than one year	1187		
III Transferable securities and other financial instruments	1189 9	109 288 529,00	851 072 189,00
1 Shares in affiliated undertakings and in undertakings with which the undertaking is linked by of participating interests	1191		
2 Own shares or own corporate units	1193		
3 Other transferable securities and other financial instruments	1195	109 288 529,00	851 072 189,00
IV Cash at bank, cash in postal cheque accounts, cheques and cash in hand	1197	2 261 021 146,00	1 677 155 121,00
E. Prepayments	1199	2 094 800,00	16 140 960,00
TOTAL (ASSETS)		201 7 644 506 226,00	202 7 136 168 978,00

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

RCSL Nr B101818

Matricule 2004 2413 314

LIABILITIES

	Reference(s)	Current year	Previous year
A Capital and reserves	1301 <u>10</u>	301 <u>107 155 816,00</u>	302 <u>141 661 755,00</u>
I Subscribed capital	1303 _____	303 <u>37 500,00</u>	304 <u>37 500,00</u>
II Share premium and similar premiums	1305 _____	305 <u>70 905 813,00</u>	306 <u>70 905 813,00</u>
III Revaluation reserves	1307 _____	307 <u>48 402 482,00</u>	308 <u>37 567 780,00</u>
IV Reserves	1309 _____	309 <u>3 445 274,00</u>	310 <u>3 445 274,00</u>
1 Legal reserve	1311 _____	311 <u>3 750,00</u>	312 <u>3 750,00</u>
2 Reserve for own shares or own corporate units	1313 _____	313 _____	314 _____
3 Reserves provided for by the articles of association	1315 _____	315 _____	316 _____
4 Other reserves	1317 _____	317 <u>3 441 524,00</u>	318 <u>3 441 524,00</u>
V Profit or loss brought forward	1319 _____	319 <u>29 705 388,00</u>	320 <u>889 180,00</u>
VI Profit or loss for the financial year	1321 _____	321 <u>-45 340 641,00</u>	322 <u>28 816 208,00</u>
VII Interim dividends	1323 _____	323 _____	324 _____
VIII Capital investment subsidies	1325 _____	325 _____	326 _____
IX Temporarily not taxable capital gains	1327 _____	327 _____	328 _____
B. Subordinated debts	1329 _____	329 _____	330 _____
1 Convertible loans	1413 _____	413 _____	414 _____
a) becoming due and payable within one year	1415 _____	415 _____	416 _____
b) becoming due and payable after more than one year	1417 _____	417 _____	418 _____
2 Non convertible loans	1419 _____	419 _____	420 _____
a) becoming due and payable within one year	1421 _____	421 _____	422 _____
b) becoming due and payable after more than one year	1423 _____	423 _____	424 _____
C. Provisions	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 _____
D Non subordinated debts	1339 _____	339 <u>6 996 317 361,00</u>	340 <u>6 603 399 681,00</u>
1 Debenture loans	1341 _____	341 _____	342 _____
a) Convertible loans	1343 _____	343 _____	344 _____
i) becoming due and payable within one year	1345 _____	345 _____	346 _____
ii) becoming due and payable after more than one year	1347 _____	347 _____	348 _____

RCSL Nr B101818

Matricule 2004 2413 314

	Reference(s)	Current year	Previous year
b) Non convertible loans	1349	349	350
i) becoming due and payable within one year	1351	351	352
ii) becoming due and payable after more than one year	1353	353	354
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
3 Payments received on account of orders as far as they are not deducted distinctly from inventories	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 3 229 716 578,00	368 3 223 133 405,00
a) becoming due and payable within one year	1369	369 3 229 716 578,00	370 3 223 133 405,00
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 3 272 121 875,00	380 2 775 840 268,00
a) becoming due and payable within one year	1381	381 1 004 432 841,00	382 629 578 359,00
b) becoming due and payable after more than one year	1383	383 2 267 689 034,00	384 2 146 261 909,00
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 Tax and social security debts	1391 13	391 253 269 348,00	392 151 327 610,00
a) Tax debts	1393	393 250 042 463,00	394 146 371 999,00
b) Social security debts	1395	395 3 226 885,00	396 4 955 611,00

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RCSL Nr B101818

Matricule 2004 2413 314

	Reference(s)	Current year	Previous year
9 Other creditors	1397 14	397 241 209 560,00	398 453 098 398,00
a) becoming due and payable within one year	1399	399 197 934 864,00	400 418 024 782,00
b) becoming due and payable after more than one year	1401	401 43 274 696,00	402 35 073 616,00
E. Deferred income	1403 15	403 541 033 049,00	404 391 107 542,00
TOTAL (LIABILITIES)		405 7 644 506 226,00	406 7 136 168 978,00

RCSL Nr B101818

Matricule 2004 2413 314

PROFIT AND LOSS ACCOUNTFinancial year from ⁰¹ 01/01/2014 to ⁰² 31/12/2014 (in ⁰³ EUR)

Amazon EU S a r l

5, Rue Plaetis
L-2338 Luxembourg**A. CHARGES**

	Reference(s)	Current year	Previous year
1. Use of merchandise, raw materials and consumable materials	1601	601 11 550 610 968,00	602 10 300 153 353,00
2. Other external charges	1603 18	603 4 428 492 696,00	604 4 101 781 631,00
3. Staff costs	1605 16 & 17	605 63 648 431,00	606 65 194 184,00
a) Salaries and wages	1607	607 55 778 762,00	608 56 047 324,00
b) Social security on salaries and wages	1609	609 7 869 669,00	610 9 146 860,00
c) Supplementary pension costs	1611	611	612
d) Other social costs	1613	613	614
4. Value adjustments	1615	615 307 324 343,00	616 278 432 912,00
a) on formation expenses and on tangible and intangible fixed assets	1617 3&4	617 262 658 658,00	618 201 589 628,00
b) on current assets	1619 6&7	619 44 665 685,00	620 76 843 284,00
5. Other operating charges	1621 19	621 351 933 955,00	622 636 610 756,00
6. Value adjustments and fair value adjustments on financial fixed assets	1623 5	623 72 028 981,00	624 10 551 478,00
7. Value adjustments and fair value adjustments on financial current assets. Loss on disposal of transferable securities	1625	625	626
8. Interest and other financial charges	1627	627 99 110 934,00	628 75 571 270,00
a) concerning affiliated undertakings	1629 12	629 55 282 345,00	630 45 888 373,00
b) other interest and similar financial charges	1631	631 43 828 589,00	632 29 682 897,00

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RCSL Nr B101818

Matricule 2004 2413 314

	Reference(s)	Current year	Previous year
9. Share of losses of undertakings accounted for under the equity method	1649 _____	649 _____	650 _____
10. Extraordinary charges	1633 _____	633 _____	634 _____
11. Income tax	1635 _____ 13	635 _____ -7 471 540,00	636 _____ -5 473 078,00
12. Other taxes not included in the previous caption	1637 _____	637 _____ 43 650,00	638 _____ 85 585,00
13. Profit for the financial year	1639 _____	639 _____ 0,00	640 _____ 28 816 208,00
TOTAL CHARGES		641 _____ 16 865 722 418,00	642 _____ 15 491 724 299,00

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

RCSL Nr B101818

Matricule 2004 2413 314

B. INCOME

	Reference(s)	Current year	Previous year
1. Net turnover	1701 _____	701 <u>15 463 362 589,00</u>	702 <u>13 612 449 784,00</u>
2. Change in inventories of finished goods and of work and contracts in progress	1703 _____	703 _____	704 _____
3. Fixed assets under development	1705 _____	705 _____	706 _____
4. Reversal of value adjustments	1707 _____	707 _____	708 _____
a) on formation expenses and on tangible and intangible fixed assets	1709 _____	709 _____	710 _____
b) on current assets	1711 _____	711 _____	712 _____
5. Other operating income	1713 _____ 20	713 <u>1 147 453 145,00</u>	714 <u>1 837 699 804,00</u>
6. Income from financial fixed assets	1715 _____	715 <u>178 982 163,00</u>	716 _____
a) derived from affiliated undertakings	1717 _____ 5	717 <u>178 982 163,00</u>	718 _____
b) other income from participating interests	1719 _____	719 _____	720 _____
7. Income from financial current assets	1721 _____	721 <u>5 192 108,00</u>	722 <u>2 696 563,00</u>
a) derived from affiliated undertakings	1723 _____	723 _____	724 _____
b) other income from financial current assets	1725 _____	725 <u>5 192 108,00</u>	726 <u>2 696 563,00</u>
8. Other interest and other financial income	1727 _____	727 <u>25 391 772,00</u>	728 <u>38 878 148,00</u>
a) derived from affiliated undertakings	1729 _____ 8	729 <u>4 933 772,00</u>	730 <u>2 640 026,00</u>
b) other interest and similar financial income	1731 _____	731 <u>20 458 000,00</u>	732 <u>36 238 122,00</u>
9. Share of profits of undertakings accounted for under the equity method	1745 _____	745 _____	746 _____
10. Extraordinary income	1733 _____	733 _____	734 _____
13. Loss for the financial year	1735 _____	735 <u>45 340 641,00</u>	736 <u>0,00</u>
TOTAL INCOME		737 <u>16 865 722 418,00</u>	738 <u>15 491 724 299,00</u>

Amazon EU S à r.l
5, rue Plaetis
L-2338 Luxembourg
Subscribed Capital 37,500 EUR
R C S Luxembourg B 101 818

Annual Accounts as at 31 December 2014 and
Independent auditor's report

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Ernst & Young
Société anonyme

7, rue Gabriel Lippmann
Parc d'Activité Syrdall 2
L 5365 Mursbach

Tel +352 42 124 1

www.ey.com/luxembourg

B P 780
L 2017 Luxembourg

R C S Luxembourg B 47 771
TVA LU 16063074

Independent auditor's report

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

Report on the annual accounts

We have audited the accompanying annual accounts of Amazon EU S à r l (the "Company"), which comprise the balance sheet as at 31 December 2014 and the profit and loss account for the year then ended, and a summary of significant accounting policies and other explanatory information

Board of Managers' responsibility 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 and presentation of annual accounts that are free from material misstatement, whether due to fraud or error

Responsibility of the "réviseur d'entreprises agréé"

Our responsibility is to express an opinion on these annual accounts based on our audit. We conducted our audit in accordance with International Standards on Auditing as adopted for Luxembourg by the "Commission de Surveillance du Secteur Financier". Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the annual accounts are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the annual accounts. The procedures selected depend on the judgment of the "réviseur d'entreprises agréé", including the assessment of the risks of material misstatement of the annual accounts, whether due to fraud or error. In making those risk assessments, the "réviseur d'entreprises agréé" considers internal control relevant to the entity's preparation and fair presentation of the annual accounts 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Board of Managers, as well as evaluating the overall presentation of the annual accounts.



Building a better
working world

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion

Opinion

In our opinion, the annual accounts give a true and fair view of the financial position of Amazon EU S à r l as at 31 December 2014, 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

Report on other legal and regulatory requirements

The management report, which is the responsibility of the Board of Managers, and which is available at the registered address of the Company, is consistent with the annual accounts

Ernst & Young
Société anonyme
Cabinet de révision agréé

A handwritten signature in black ink, appearing to read 'Gael Denis', with a long horizontal stroke extending to the right.

Gael Denis

Luxembourg, 25 March 2015

Amazon EU S a r l
Societe à responsabilité limitée

Notes to the annual accounts
As at 31 December 2014

Note 1 – General

Amazon EU S a 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’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.

The significant accounting policies are as follows:

Tangible and intangible fixed assets

Tangible and intangible fixed assets are stated at cost less accumulated depreciation and amortisation and any impairment adjustments. Depreciation and amortisation 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.

Amazon EU S a r l
Societe a responsabilité limitée

Notes to the annual accounts As at 31 December 2014

Note 2 – Significant accounting policies (continued)

Inventories

Inventories 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.

Transferable securities

Transferable securities primarily consist of government bonds, government agency securities and other investment grade securities including AAA-rated money market funds. They are valued at the lower of cost or market value.

Cash at bank, cash in postal cheque accounts, cheques and cash in hand

Cash at bank 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.

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 reserves.

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 the caption Revaluation reserves.

Amazon EU S à r l
Société à responsabilité limitée

Notes to the annual accounts
As at 31 December 2014

Note 2 – Significant accounting policies (continued)

The following is a table of the currency translation rates from GBP to EUR as of 31 December 2014 and 2013, and the average rates for the years ended 31 December 2014 and 2013

2014	31 December 2014	2013	31 December 2013
Average rate	Closing rate	Average rate	Closing rate
1 24	1 29	1 18	1 20

Trade 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 collectibility is reasonably assured.

Revenue primarily consists of net product sales and related revenues.

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, depreciable lives of property and equipment, valuation and impairment of investments, inventory valuation and inventory purchase commitments, collectability of receivables, determining the selling price of products and services in multiple element revenue arrangements and determining the lives of these elements, incentive discount offers, sales returns, vendor funding, income taxes and contingencies. Actual results could differ materially from those estimates.

Amazon EU S à r l
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Notes to the annual accounts As at 31 December 2014

Note 3 – Intangible fixed assets

Intangible fixed assets mainly consist of acquired digital content license rights and intellectual property

	31 December 2014 TEUR	31 December 2013 TEUR
Cost at the beginning of the year	366,688	120,806
Additions	402,140	271,504
Disposals	(718,691)	(25,622)
Cost at the end of the year	<u>50,137</u>	<u>366,688</u>
Accumulated amortisation at the beginning of the year	(173,690)	(233)
Amortisation charged during the year	(260,176)	(199,079)
Disposals	432,916	25,622
Accumulated amortisation at the end of the year	<u>(950)</u>	<u>(173,690)</u>
Net book value at the end of the year	<u>49,187</u>	<u>192,998</u>

The current year additions mainly relate to the acquisition of digital content license rights

In November 2014, the Company contributed its licence procurement rights business to Amazon Media EU S à r l in exchange of the issuance of 2 (two) new shares with a par value of TEUR 12.5 each

Note 4 – Tangible fixed assets

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

	31 December 2014 TEUR	31 December 2013 TEUR
Cost at the beginning of the year	16,179	13,120
Additions	6,333	3,118
Disposals	(7,617)	(59)
Cost at the end of the year	<u>14,895</u>	<u>16,179</u>
Accumulated depreciation at the beginning of the year	(8,072)	(5,565)
Depreciation charged during the year	(2,483)	(2,511)
Disposals	5,139	4
Accumulated depreciation at the end of the year	<u>(5,416)</u>	<u>(8,072)</u>
Net book value at the end of the year	<u>9,479</u>	<u>8,107</u>

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Note 5 – Financial fixed assets

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
	2014	2013	2014	2013
	%	%	TEUR	TEUR
Lovefilm International Limited, UK	100%	100%	345,845	345,845
Amazon Data Services Ireland Limited, Ireland	100%	100%	343,440	343,440
Beijing Century Joyo Courier Services Co Limited, People's Republic of China	(1)	100%	225,625	135,985
Amazon Fulfillment Poland sp z o o , Poland	(2)	100%	127,596	1
Amazon Logistik GmbH, Germany		100%	120,549	120,549
Amazon co uk Limited, UK		100%	98,540	98,540
FinLux S à r l , Luxembourg		100%	88,380	88,380
Amazon de GmbH, Germany	(3)	100%	79,430	79,430
Joyo com Limited, British Virgin Islands	(4)	100%	294	69,493
Amazon Koblenz GmbH , Germany		100%	44,121	44,121
Amazon fr Holdings S A S , France		100%	40,923	40,923
The Book Depository Limited, UK		100%	30,469	30,469
Amazon Logistik Potsdam GmbH, Germany	(5)	100%	25,025	17,025
Amazon FC Graben GmbH, Germany		100%	21,893	21,893
Amazon Logistik Weme GmbH, Germany		100%	17,563	17,563
Amazon Fulfillment Germany GmbH, Germany		100%	13,701	13,701
The Book Depository (International) Limited, Cyprus	(6)	100%	12,176	15,005
Panda Acquisition LLC, USA		100%	12,072	12,072
Amazon Logistic Prague s r o , Czech Republic		90%	10,175	10,175
Others			61,542	58,311
Total			1,719,359	1,562,921

- (1) In March and September 2014, the Company increased its investment in Beijing Century Joyo Courier Services Co Limited by cash contributions totalling TEUR 89,640. In January 2015, the Company sold its 100% equity interest in Beijing Century Joyo Courier Services Co Limited to an affiliated undertaking for an amount of TUSD 309,800 (TEUR 259,790), although legal title will remain with the Company until completion of the People's Republic of China's administrative procedures.
- (2) In December 2014, the Company increased its investment in Amazon Fulfillment Poland sp z o o by contributions totalling TEUR 127,595, including a cash contribution of TEUR 52,805.
- (3) In December 2014, the Company received a distribution of TEUR 113,000 from Amazon de GmbH.
- (4) In March 2014, the Company received a distribution of TEUR 65,982 from Joyo com Limited and, as a result, recorded a value adjustment of TEUR 69,199 on its investment (2013 TEUR 3,884).
- (5) In May 2014, the Company increased its investment in Amazon Logistik Potsdam GmbH by a cash contribution of TEUR 8,000.
- (6) In May 2014, the Company recorded a valuation adjustment totaling TEUR 2,829 on its investment in The Book Depository (International) Limited.

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Note 5 – Financial fixed assets (continued)

Art 65 paragraph (1) 2° of the law of 19 December 2002 on the Trade Registry and 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.

Note 6 – Inventories

	31 December 2014 TEUR	31 December 2013 TEUR
Inventories - gross	2,156,781	1,906,485
Provision for value adjustments	(236,736)	(202,216)
Inventories	<u>1,920,045</u>	<u>1,704,269</u>

Note 7 – Trade receivables

	31 December 2014 TEUR	31 December 2013 TEUR
Outstanding billed revenues	650,391	568,962
Provision for doubtful accounts	(25,760)	(19,527)
Trade receivables	<u>624,631</u>	<u>549,435</u>

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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	2014 TEUR	2013 TEUR
FinLux S à r l, Luxembourg				
Loan	—	2,335	2,335	2,279
Interest	5	—	5	5
Other receivable	336,035	—	336,035	201,202
Amazon Data Services Ireland Limited, Ireland				
Loan	—	98,630	98,630	96,284
Interest	191	—	191	183
Other receivable	16,817	—	16,817	—
Amazon Europe Core S à r l, Luxembourg				
Loan	—	75,000	75,000	—
Interest	544	—	544	—
A100 ROW GmbH, Germany				
Loan	—	60,000	60,000	—
Interest	270	—	270	—
Amazon Connect Technology Services (Beijing) Co Limited, People's Republic of China				
Loan	—	47,243	47,243	41,344
Interest	587	—	587	521
Amazon Italia Logistica Srl, Italy				
Loan	—	42,222	42,222	—
Other receivable	—	—	—	28,910
A100 ROW Servicos De Dados Brasil Limitada, Brasil				
Loan	—	17,324	17,324	—
Interest	107	—	107	—
Amazon Jjoy Co Limited, People's Republic of China				
Loan	—	16,736	16,736	16,554
Interest	172	—	172	173
Amazon Payments Europe S C A, Luxembourg	104,625	—	104,625	892
Amazon Luxembourg S à r l, Luxembourg	59,855	—	59,855	26,402
Others	40,184	24,618	64,802	134,675
	<u>559,392</u>	<u>384,108</u>	<u>943 500</u>	<u>549,424</u>

The interest income for the year in relation to loans and receivable balances amounts to TEUR 4,934 for the year ended 31 December 2014 (2013 TEUR 2,640)

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Note 9 – Transferable securities

The following table summarizes current transferable securities

	31 December 2014 TEUR	31 December 2013 TEUR
Marketable securities	109,289	851,072

The market value of the current transferable securities amounts to TEUR 109,922 as at 31 December 2014 (31 December 2013 TEUR 853,673)

Note 10 – Capital and reserves

	31 December 2013 TEUR	Allocation of results TEUR	Translation adjustment TEUR	Results for the year TEUR	31 December 2014 TEUR
Subscribed capital	38	—	—	—	38
Share premium	70,906	—	—	—	70,906
Revaluation reserves	37,568	—	10,835	—	48,403
Legal reserve	4	—	—	—	4
Other reserves	3,441	—	—	—	3,441
Profit or (loss) brought forward	889	28,816	—	—	29,705
Profit or (loss) for the financial year	28,816	(28,816)	—	(45,341)	(45,341)
Total	141,662	—	10,835	(45,341)	107,156

Subscribed capital

As at 31 December 2014 and 31 December 2013, the subscribed capital amounts to TEUR 37 5 divided into 3 shares with a par value of TEUR 12 5 each

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.

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Note 10 – Capital and reserves (continued)

Other reserves

In accordance with Luxembourg tax law, in past years the Company allocated under non-distributable reserves (item “other 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

All creditors are due and payable within a period of one year.

Note 12 – Amounts owed to affiliated undertakings

Company name	Becoming due and payable		Total as at 31 December	
	within 1 year TEUR	after 1 year TEUR	2014 TEUR	2013 TEUR
Amazon Europe Holding Technologies S C S , Luxembourg				
Loan	—	2,227,525	2,227,525	2,107,771
The Book Depository Limited, UK				
Loan	—	21,030	21,030	19,386
Interest	284	—	284	259
The Book Depository International Limited, United Kingdom				
Loan	—	9,149	9,149	8,435
Interest	124	—	124	113
Amazon Services Europe S à r l , Luxembourg	250,570	—	250,570	261,220
Amazon.co.uk Limited, UK	140,571	—	140,571	110,396
Amazon Instant Video Limited, UK	130,167	—	130,167	—
Amazon Europe Core S à r l , Luxembourg	108,031	—	108,031	—
Amazon Media EU S à r l , Luxembourg	57,177	—	57,177	24,355
Lovefilm Deutschland GmbH, Germany	42,015	—	42,015	—
Amazon.fr S A S , France	38,594	—	38,594	25,675
Amazon.de GmbH, Germany	33,403	—	33,403	—
Amazon Development Centre (London) Limited, UK	25,969	—	25,969	16,153
Amazon Online UK Limited, United Kingdom	23,345	—	23,345	6
Amazon Logistik GmbH, Germany	22,710	—	22,710	—
Others	131,473	9,985	141,458	202,071
	<u>1,004,433</u>	<u>2,267,689</u>	<u>3,272,122</u>	<u>2,775,840</u>

The amounts owed to affiliated undertakings mainly consist of payables for services provided and cash pooling arrangements.

The interest expense for the year in relation with the loan and payable balances amounts to TEUR 55,282 for the year ended 31 December 2014 (2013 TEUR 45,888).

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Note 13 – Tax and social security

The Company is subject to all taxes applicable to Luxembourg commercial companies. The Company has secured approval in conformity with Article 164 bis of the law on income tax, for the fiscal consolidation of the Company with Amazon Europe Core S a r l, Amazon Media EU S à r l, Amazon Luxembourg S à r l, Amazon Payments Europe S C A, Amazon Services Europe S a r l and FinLux S a r l.

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. If this matter is adversely resolved, Luxembourg may be required to assess, and we may be required to pay, additional amounts with respect to current and prior periods and our taxes in the future could increase. Although we believe our tax estimates are reasonable, the final outcome of tax audits, investigations, and any related litigation could be materially different from our historical income tax provisions and accruals.

Tax contingencies

The Company is under examination or investigation or may be subject to examination or investigation by the French Tax Administration ("FTA") for calendar year 2006 or thereafter. These examinations may lead to ordinary course adjustments or proposed adjustments to our taxes. While we have not yet received a final assessment from the FTA, in September 2012, we received proposed tax assessment notices for calendar years 2006 through 2010 relating to the allocation of income between foreign jurisdictions. The notices propose additional French tax of approximately EUR 196 M, including interest and penalties through the date of the assessment. We disagree with the proposed assessment and intend to contest it vigorously. We plan to pursue all available administrative remedies at the FTA, and if we are not able to resolve this matter with the FTA, we plan to pursue judicial remedies.

Note 14 – Other creditors

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

	Becoming due and payable		Total as at 31 December	
	within 1 year	after 1 year	2014	2013
	TEUR	TEUR	TEUR	TEUR
Marketing and sales	159,151	—	159,151	256,555
Intangible Fixed Assets	7,014	—	7,014	133,942
Other	31,770	43,275	75,045	62,601
	<u>197,935</u>	<u>43,275</u>	<u>241,210</u>	<u>453,098</u>

In November 2014, the Company contributed the liabilities related to certain intangible fixed assets to Amazon Media EU S a r l. See also "Note 3 – Intangible fixed assets".

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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 – Staff costs

The Company employed an average of 538 employees during the financial year 2014 (2013 523)

Note 17 – Emoluments

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

Note 18 – Other external charges

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

Note 19 – Other operating charges

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

Note 20 – Other operating income

Other operating income is primarily related to revenue from license agreements with affiliated undertakings

Note 21 – 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 22 – Commitments and contingencies

At 31 December 2014, the operating lease commitment amounts to TEUR 19,069 (2013 TEUR 11,229)

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

See also "Note 13 – Tax and social security"