Company No 3223028

Amazon.co.uk Ltd
Report and Financial Statements

31 December 2009

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DIRECTORS
Michael D Deal
Brian McBride
Shaun McCabe
Arthur L Valdez Jr

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DIRECTORS' REPORT
for the year ended 31 December 2009

The directors present their report and financial statements for the year ended 31 December 2009 for Amazon co uk Ltd (**"Company"**) The ultimate controlling entity is Amazon com, Inc , a company incorporated in the United States of America (**"Amazon" or "Group"**)

FINANCIAL RESULTS AND DIVIDENDS
Administrative expenses increased by 19% in 2009 to £113,072,253 (2008 £94,966,668) primarily due to a 13% increase in headcount, and the Company made an operating loss for the year of £2,945,153 (2008 loss of £651,268) The operating results are stated after a share based payment expense of £7,992,639 (2008 £6,286,100) The directors do not recommend the payment of any dividends (2008 £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

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 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, 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, 2009, 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

DIRECTORS' REPORT (continued)
for the year ended 31 December 2009

EMPLOYEES (continued)
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 AND THEIR INTERESTS
The directors who served the Company during the year and to the date of this report are as follows

Michael D Deal	
Brian McBride	
Shaun McCabe	
Martin Sharples	(resigned 31 December, 2009)
Arthur L Valdez Jr	(appointed 31 December 2009)

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

DIRECTORS' REPORT (continued)
for the year ended 31 December 2009

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

AUDITORS
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

Brian McBride
Director

Date 24-03-2010

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 Companies 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,
- 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 AUDITOR'S REPORT TO THE MEMBERS OF AMAZON.CO.UK LTD

We have audited the financial statements of Amazon co uk Ltd for the year ended 31 December 2009 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 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 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 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 2009 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 AUDITOR'S REPORT TO THE MEMBERS OF AMAZON.CO.UK LTD (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

Nick Powell (Senior Statutory Auditor)
For and on behalf of Ernst & Young LLP, Registered Auditor
Reading

Date 29/3/10

PROFIT AND LOSS ACCOUNT
for the year ended 31 December 2009

	Notes	2009 £	2008 £
TURNOVER	2	110,127,100	94,315,400
Administrative expenses		(113,072,253)	(94,966,668)
OPERATING LOSS	3	(2,945,153)	(651,268)
Interest receivable	6	491,106	79,160
Interest payable	7	(870,297)	(213,478)
LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION		(3,324,344)	(785,586)
Tax credit/ (charge) on loss on ordinary activities	8	1,253,113	(228,889)
LOSS FOR THE FINANCIAL YEAR		(2,071,231)	(1,014,475)

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 2009

	Notes	2009 £	2008 £
FIXED ASSETS			
Tangible assets	9	30,094,635	23,780,962
CURRENT ASSETS			
Debtors			
amounts falling due within one year	10(a)	41,725,316	39,064,312
amounts falling due after one year	10(b)	1,841,722	739,867
Cash at bank		250,739	148,461
		43,817,777	39,952,640
CREDITORS: amounts falling due within one year	11(a)	(18,681,616)	(18,442,490)
NET CURRENT ASSETS		25,136,161	21,510,150
TOTAL ASSETS LESS CURRENT LIABILITIES		55,230,796	45,291,112
CREDITORS: amounts falling due after more than one year	11(b)	(4,429,073)	(3,164,713)
PROVISION FOR LIABILITIES	12	(2,178,916)	-
DEFERRED INCOME Deferred government grants	13	(1,907,917)	(1,332,917)
NET ASSETS		46,714,890	40,793,482
CAPITAL AND RESERVES			
Called up share capital	17	9,366,036	9,366,036
Other reserves	18	11,802,395	11,802,395
Share based awards	18	22,740,232	14,747,593
Profit and loss account	18	2,806,227	4,877,458
SHAREHOLDERS' FUNDS	18	46,714,890	40,793,482

Approved by the Board

Brian McBride
Director

Date 24-03-2010

Company Number 3223028

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 December 2009

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

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

Government Grants
Grants received are credited to the profit and loss account as the expenditure to which they relate are incurred, typically over five years

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

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 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

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 December 2009

1. ACCOUNTING POLICIES (continued)
***Deferred taxation** (continued)*

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 These contributions are invested separately from the Company's interests

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)

		2009	*2008*
		£	*£*
Depreciation of tangible fixed assets		6,297,808	4,665,094
Operating lease rentals	- land and buildings	7,584,592	6,784,658
	- plant and machinery	491,864	409,675
Auditor's remuneration	- audit of the financial statements	21,500	21,500
Net loss/(gain) on foreign currency translation		75,349	(204,913)
Government grants		(625,000)	(463,333)

4. STAFF COSTS

	2009	*2008*
	£	*£*
Wages and salaries	48,196,484	42,493,148
Social security costs	5,064,223	4,590,027
Staff pension contributions	1,170,696	959,207
Equity settled share based awards	7,992,639	6,286,100
	62,424,042	54,328,482

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

	2009	*2008*
	No	*No*
Management and administration staff	1,872	1,661

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 December 2009

5. DIRECTORS' EMOLUMENTS

	2009 £	2008 £
Aggregate emoluments in respect of qualifying services	586,286	499,883
Value of Company pension contributions to money purchase schemes	22,650	19,832

	2009 No	2008 No
Members of money purchase pension schemes	3	4
Directors who received share based awards	2	4
Directors who vested in or exercised share based awards	3	4

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

	2009 £	2008 £
Aggregate emoluments in respect of qualifying services	252,890	215,326
Company contributions to money purchase pension schemes	7,586	5,625

The highest paid director in 2009 and in 2008 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 2009 and 31 December 2008

6. INTEREST RECEIVABLE

	2009 £	2008 £
Bank interest receivable	2,932	66,232
Interest receivable from Group companies	488,174	12,928
	491,106	79,160

7. INTEREST PAYABLE

	2009 £	2008 £
Other interest payable	870,297	213,478

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2009

8. TAXATION

8(a) Tax on loss on ordinary activities
The tax charge is made up as follows

	2009 £	2008 £
Current tax		
UK corporation tax	-	-
Adjustment in respect of previous periods	(151,258)	152,893
Total current tax (credit)/charge (note 8(b))	(151,258)	152,893
Deferred Tax		
Current year	(926,208)	122,916
Adjustment in respect of prior years	(175,647)	(46,920)
Total deferred tax (credit)/charge	(1,101,855)	75,996
Tax (credit)/charge on loss on ordinary activities	(1,253,113)	228,889

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% (2008 28%) The differences are reconciled below

	2009 £	2008 £
Loss on ordinary activities before taxation	(3,324,344)	(785,586)
Loss on ordinary activities multiplied by standard rate of corporation tax of 28% (2008 28%)	(930,818)	(219,964)
Expenses not deductible for tax	94,909	224,342
Timing differences on charitable contributions	1,389	-
Timing differences on share based awards	(1,045,161)	(453,045)
Timing differences on general provisions	(420)	11,480
Timing differences on capital allowance claims	391,210	91,885
Adjustments in respect of prior years	(151,258)	(432,630)
Unrelieved tax losses in current year	1,488,891	930,825
Total current tax (note 8(a))	(151,258)	152,893

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

	2009 £	2008 £
Timing differences on capital allowance claims	(849,440)	(1,140,739)
Timing differences related to shared based awards	2,689,013	1,869,126
Other timing differences	2,149	11,480
Total deferred tax asset recognised in the financial statements (note 10(b))	1,841,722	739,867

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 December 2009

8. TAXATION (continued)

	£
Deferred tax asset at 1 January 2009	739,867
Deferred tax credit to P&L	1,101,855
Deferred tax asset at 31 December 2009	1,841,722

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

	2009 £	*2008* £
Tax losses available	2,706,652	1,358,016

9. TANGIBLE ASSETS

	Leasehold Improvements £	*Plant & Machinery* £	*Office Equipment* £	*Computer Equipment* £	*Total* £
Cost					
At 1 January 2009	10,910,005	23,987,245	8,287,605	7,560,814	50,745,669
Additions	1,653,101	6,938,660	3,055,919	970,972	12,618,652
Disposals	-	(10,199)	(22,801)	(102,363)	(135,363)
At 31 December 2009	12,563,106	30,915,706	11,320,723	8,429,423	63,228,958
Depreciation					
At 1 January 2009	6,719,439	8,789,273	5,898,083	5,557,912	26,964,707
Provided during the year	1,188,133	2,560,776	1,227,497	1,321,402	6,297,808
Disposals	-	(3,027)	(22,801)	(102,364)	(128,192)
At 31 December 2009	7,907,572	11,347,022	7,102,779	6,776,950	33,134,323
Net book value					
At 31 December 2009	4,655,534	19,568,684	4,217,944	1,652,473	30,094,635
At 1 January 2009	4,190,566	15,197,972	2,389,522	2,002,902	23,780,962

10. DEBTORS

	2009 £	*2008* £
10(a) Amounts falling due within one year		
Amounts owed by group undertakings	39,060,495	36,639,898
Prepayments and accrued income	2,625,917	2,388,696
Other debtors	38,904	35,718
	41,725,316	39,064,312
10(b) Amounts falling due after more one year		
Deferred tax asset	1,841,722	739,867

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 December 2009

11. CREDITORS

	2009	2008
11(a) Amounts falling due within one year	£	£
Trade creditors	4,272,696	4,760,784
Amounts owed to group undertakings	4,730	3,065,942
Other taxation and social security	6,907,966	4,627,986
Accruals and deferred income	7,244,141	5,773,371
Corporation tax payable	252,083	214,407
	18,681,616	18,442,490

	2009	2008
11(b) Amounts falling due after more than one year	£	£
Other long term creditors	4,429,073	3,164,713
	4,429,073	3,164,713

12. PROVISION FOR LIABILITIES

	Leasehold Dilapidations £
At 1 January 2009	-
Provided during the year	2,178,916
At 31 December 2009	2,178,916

13. DEFERRED GOVERNMENT GRANTS

Cost	£
At 1 January 2009	2,405,000
Received during the year	1,200,000
At 31 December 2009	3,605,000
Amortisation	
At 1 January 2009	1,072,083
Released during the year	625,000
At 31 December 2009	1,697,083
Net Book Value	
At 31 December 2009	1,907,917
At 1 January 2009	1,332,917

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 December 2009

14. COMMITMENTS UNDER OPERATING LEASES
Annual commitments under non cancellable operating leases are as follows

	2009	*2008*
	Land and buildings	*Land and buildings*
Operating lease which expire	£	£
Within one year	643,073	-
In two to five years	1,749,216	471,688
In over five years	3,316,680	4,991,922
	5,708,969	5,463,610

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

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 financial statements of Amazon com, Inc are available at 1200- 12th Avenue South, Suite 1200, Seattle, WA 98144-2734, USA

17. SHARE CAPITAL

	2009	*2008*
Authorised	£	£
Ordinary shares of £1 each	40,000,000	40,000,000

		2009		*2008*
	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*	*Profit & loss account*	*Total Shareholder's funds*
	£	£	£	£	£
At 1 January 2008	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
Loss for the year	-	-	-	(2,071,231)	(2,071,231)
Share based awards	-	-	7,992,639	-	7,992,639
At 31 December 2009	9,366,036	11,802,395	22,740,232	2,806,227	46,714,890

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

During 2009 and 2008, 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 com Inc , 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 restricted stock units 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 2009 is £7,992,639 (2008 £6,286,100)

19. SHARE BASED AWARD PLANS (continued)

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

RSU's	2009		2008	
	Number	*Weighted Avg Share Price at grant date $*	*Number*	*Weighted Avg Share Price at grant date $*
Outstanding at the beginning of the year	588,976	54 98	673,442	41 80
Granted during the year	193,161	79 59	281,685	70 45
Forfeited during the year	42,713	64 30	159,402	44 69
Vested during the year [1]	209,985	47 21	206,749	41 06
Outstanding at the end of the year [2]	529,439	66 28	588,976	54 98

Scheduled vesting for outstanding restricted stock units as at December 31, 2009 is as follows

	2010	2011	2012	2013	2014	Thereafter	Total
Scheduled vesting	198,078	191,344	94,804	38,912	4,355	1,946	529,439

[1] The weighted average share price at the date of share based award vesting was $92 02 (2008 $66 15)

[2] For the share based awards outstanding as at 31 December 2009, the weighted average remaining contractual life is 8 3 years (2008 8 6 years)