

072640120

In accordance with Regulation 32 of the Overseas Companies Regulations 2009

OS AA01

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



TUESDAY
F

R6GRZ66X #28
RCS 10/10/2017
COMPANIES HOUSE

R6EJZ39K #2
RC2 08/09/2017
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 register an alteration of manner of compliance with accounting requirements.

Part 1 Corporate company name

Corporate name of overseas company ①	AMAZON EU SARL
UK establishment number	B R 0 1 7 4 2 7

→ Filing 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.	② This means the relevant rules or legislation which regulates the preparation and, if applicable, the audit of accounts.
Legislation ②	Law of 19 December 2002 relating to Accounting & Annual 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. <input type="checkbox"/> No. Go to Section A3. <input checked="" type="checkbox"/> 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. <input type="checkbox"/> No. Go to Section A5. <input checked="" type="checkbox"/> Yes. Go to Section A4.	

OS AA01

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

A4

Audited accounts

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

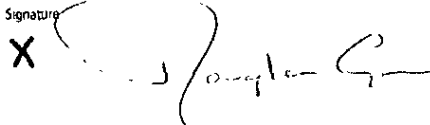
A5

Unaudited accounts

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

Part 3

Signature

I am signing this form on behalf of the overseas company.		
Signature	Signature  X	X
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	Andrew Boden
Company name	CMS Cameron McKenna Nabarro Oliphant
Address	Cannon Place 78 Cannon Street
Post town	London
Country/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



A18	26/08/2017	#307
	COMPANIES HOUSE	
LD5	31/07/2017	#145
	COMPANIES HOUSE	

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

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

Annual accounts as at 31 December 2016 and
Independent auditor's report

Table of contents

	Pages
Independent auditor's report	1 - 2
Annual accounts	
• Balance sheet	3 - 7
• Profit and loss account	8 - 9
• Notes to the annual accounts	10 - 20



Building a better
working world

Ernst & Young
Société à responsabilité limitée

55E, Avenue John F. Kennedy,
L-1800 Luxembourg

Tel: +352 42 124 1

www.ey.com/luxembourg

B.P. 780
L-2017 Luxembourg

R.C.S. Luxembourg B 47 771
TVA LU 16093074

Independent auditor's report

To the Shareholder 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 2016 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



Ernst & Young
Member firm of the
EY network of independent
member firms

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 2016, 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, is consistent with the annual accounts and has been prepared in accordance with applicable legal requirements.

Ernst & Young
Société anonyme
Cabinet de révision agréé

Gael Denis

Luxembourg, 17 February 2017

RCSL Nr. :	B101818	Matricule :	2004 2413 314
------------	---------	-------------	---------------

BALANCE SHEET

Financial year from 01/01/2016 to 31/12/2016 (in EUR)

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

ASSETS

	Reference(s)	Current year	Previous year
A. Subscribed capital unpaid	1101	—	—
I Subscribed capital not called	1103	—	—
II Subscribed capital called but unpaid	1105	—	—
B. Formation expenses	1107	—	—
C. Fixed assets	1109	1,266,625,900	1,388,309,587
I Intangible assets	1111	28,832,421	44,616,114
1 Costs of development	1113	—	—
2 Concessions, patents, licences, trade marks and similar rights and assets, if they were	1115	28,832,421	44,616,114
a) acquired for valuable consideration and need not be shown under C.I 3	1117	28,832,421	44,616,114
b) created by the undertaking itself	1119	—	—
3 Goodwill, to the extent that it was acquired for valuable consideration	1121	—	—
4 Payments on account and intangible assets under development	1123	—	—
II Tangible assets	1125	30,194,685	20,569,644
1 Land and buildings	1127	—	—
2 Plant and machinery	1129	—	—

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	26,493,804	132	19,632,100
4. Payments on account and tangible assets in the course of construction	1133	133	3,700,881	134	937,544
III. Financial assets	1135	135	1,207,598,794	136	1,323,123,829
1 Shares in affiliated undertakings	1137	5 137	1,206,235,815	138	1,323,123,829
2 Loans to affiliated undertakings	1139	139	—	140	—
3. Participating interests	1141	141	—	142	—
4. Loans to undertakings with which the undertaking is linked by virtue of participating interests	1143	143	—	144	—
5. Investments held as fixed assets	1145	145	—	146	—
6. Other loans	1147	147	1,362,979	148	—
D. Current assets	1151	151	7,844,449,144	152	7,775,249,100
I. Stocks	1153	6 153	2,974,504,263	154	2,493,193,563
1. Raw materials and consumables	1155	155	8,786,358	156	8,345,182
2. Work in progress	1157	157	—	158	—
3. Finished goods and goods for resale	1159	159	2,965,717,905	160	2,484,848,381
4. Payments on account	1161	161	—	162	—
II. Debtors	1163	163	1,161,364,211	164	2,196,029,942
1. Trade debtors	1165	7 165	837,073,126	166	732,201,249
a) becoming due and payable within one year	1167	167	837,073,126	168	732,201,249
b) becoming due and payable after more than one year	1169	169	—	170	—
2. Amounts owed by affiliated undertakings	1171	8 171	310,813,271	172	1,455,720,560
a) becoming due and payable within one year	1173	173	114,929,905	174	415,093,760
b) becoming due and payable after more than one year	1175	175	195,883,366	176	1,040,626,800
3. Amounts owed by undertakings with which the undertaking is linked by virtue of participating interests	1177	177	—	178	—
a) becoming due and payable within one year	1179	179	—	180	—
b) becoming due and payable after more than one year	1181	181	—	182	—
4. Other debtors	1183	183	13,477,814	184	8,108,133
a) becoming due and payable within one year	1185	185	13,477,814	186	8,108,133
b) becoming due and payable after more than one year	1187	187	—	188	—

RCSL Nr. .	B101818	Matricule	2004 2413 314
------------	---------	-----------	---------------

	Reference(s)	Current year	Previous year
III. Investments			
1189	9	189 205,635,737	190 111,007,633
1 Shares in affiliated undertakings			
1191		191 —	192 —
2 Own shares			
1209		209 —	210 —
3. Other investments			
1195		195 205,635,737	196 111,007,633
IV. Cash at bank and in hand			
1197		197 3,502,944,933	198 2,975,017,962
E. Prepayments			
1199		199 23,642,351	200 5,560,774
TOTAL (ASSETS)		201 9,134,717,395	202 9,169,119,461

CAPITAL, RESERVES AND LIABILITIES
--

	Reference(s)	Current year	Previous year
A. Capital and reserves	1301 10	301 902,216,277	302 402,329,776
I. Subscribed capital	1303	303 37,500	304 37,500
II. Share premium account	1305	305 520,905,813	306 70,905,813
III. Revaluation reserve	1307	307 61,343,146	308 54,523,081
IV. Reserves	1309	309 2,543,550	310 3,148,625
1. Legal reserve	1311	311 3,750	312 3,750
2. Reserve for own shares	1313	313 —	314 —
3. Reserves provided for by the articles of association	1315	315 —	316 —
4. Other reserves, including the fair value reserve	1429	429 2,539,800	430 3,144,875
a) other available reserves	1431	431 —	432 —
b) other non available reserves	1433	433 2,539,800	434 3,144,875
V. Profit or loss brought forward	1319	319 274,319,832	320 (15,338,604)
VI. Profit or loss for the financial year	1321	321 43,066,436	322 481,777,653
VII. Interim dividends	1323	323 —	324 (192,724,292)
VIII. Capital investment subsidies	1325	325 —	326 —
B. 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 —
C. Creditors	1435	435 7,256,263,139	436 7,962,386,805
1. Debenture loans	1437	437 —	438 —
a) Convertible loans	1439	439 —	440 —
i) becoming due and payable within one year	1441	441 —	442 —
ii) becoming due and payable after more than one year	1443	443 —	444 —
b) Non convertible loans	1445	445 —	446 —
i) becoming due and payable within one year	1447	447 —	448 —
ii) becoming due and payable after more than one year	1449	449 —	450 —
2. Amounts owed to credit institutions	1355	355 —	356 —
a) becoming due and payable within one year	1357	357 —	358 —
b) becoming due and payable after more than one year	1359	359 —	360 —

RCSL Nr. :	B101818	Matricule :	2004 2413 314
------------	---------	-------------	---------------

	Reference(s)		Current year		Previous year
3					
Payments received on account of orders in so far as they are shown separately as deductions from stocks	1361	361	—	362	—
a) becoming due and payable within one year	1363	363	—	364	—
b) becoming due and payable after more than one year	1365	365	—	366	—
4					
Trade creditors	1367	11	5,057,273,793	368	4,222,193,224
a) becoming due and payable within one year	1369	369	5,057,273,793	370	4,222,193,224
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	1,638,216,982	380	3,233,576,971
a) becoming due and payable within one year	1381	381	1,633,148,839	382	1,575,471,062
b) becoming due and payable after more than one year	1383	383	5,068,143	384	1,658,105,909
7					
Amounts owed to undertakings with which the undertaking is linked by virtue of participating interests	1385	385	—	386	—
a) becoming due and payable within one year	1387	387	—	388	—
b) becoming due and payable after more than one year	1389	389	—	390	—
8					
Other creditors	1451	451	560,772,364	452	506,616,610
a) Tax authorities	1393	13	216,379,023	394	187,240,586
b) Social security authorities	1395	395	17,919,294	396	12,325,383
c) Other creditors	1397	14	326,474,047	398	307,050,641
i) becoming due and payable within one year	1399	399	267,589,764	400	249,755,209
ii) becoming due and payable after more than one year	1401	401	58,884,283	402	57,295,432
D. Deferred income	1403	15	976,237,979	404	804,402,880
TOTAL (CAPITAL, RESERVES AND LIABILITIES)	405		9,134,717,395	406	9,169,119,461

RCSL Nr. :	B101818	Matricule :	2004 2413 314
------------	---------	-------------	---------------

PROFIT AND LOSS ACCOUNT

Financial year 01/01/2016 to 31/12/2016 (in EUR)
from

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

PROFIT AND LOSS ACCOUNT

	Reference(s)	Current year	Previous year
1. Net turnover	1701	21,627,152,409	18,616,573,953
2. Variation in stocks of finished goods and in work in progress	1703	—	—
3. Work performed by the undertaking for its own purposes and capitalised	1705	—	—
4. Other operating income	1713	1,349,195	6,483,961
5. Raw materials and consumables and other external expenses	1671	(21,421,250,089)	(18,507,228,537)
a) Raw materials and consumables	1601	(16,155,854,329)	(14,032,256,737)
b) Other external expenses	1603 16	(5,265,395,760)	(4,474,971,800)
6. Staff costs	1605 17 & 18	(284,569,446)	(159,533,525)
a) Wages and salaries	1607	(233,409,077)	(133,261,410)
b) Social security costs	1609	(51,160,369)	(26,272,115)
i) relating to pensions	1653	(14,725,182)	(8,512,361)
ii) other social security costs	1655	(36,435,187)	(17,759,754)
c) Other staff costs	1613	—	—
7. Value adjustments	1657	(2,160,235)	(32,842,174)
a) in respect of formation expenses and of tangible and intangible fixed assets	1659 3 & 4	(11,221,443)	(7,186,048)
b) in respect of current assets	1661 6 & 7	9,061,208	(25,656,126)
8. Other operating expenses	1621 19	(79,825,455)	(65,650,827)

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

RC SL Nr	B101818	Matricule	2004 2413 314
----------	---------	-----------	---------------

	Reference(s)		Current year		Previous year
9. Income from participating interests	1715	5	715 317,968,109	716	687,156,870
a) derived from affiliated undertakings	1717		717 317,968,109	718	687,156,870
b) other income from participating interests	1719		719 —	720	—
10. Income from other investments and loans forming part of the fixed assets	1721		721 148,006	722	410,351
a) derived from affiliated undertakings	1723		723 —	724	—
b) other income not included under a)	1725		725 148,006	726	410,351
11. Other interest receivable and similar income	1727	20	727 64,982,448	728	41,728,943
a) derived from affiliated undertakings	1729	8	729 12,090,568	730	10,620,466
b) other interest and similar income	1731		731 52,891,880	732	31,108,477
12. Share of profit or loss of undertakings accounted for under the equity method	1663		663 —	664	—
13. Value adjustments in respect of financial assets and of investments held as current assets	1665	5	665 (20,376,785)	666	(675,938)
14. Interest payable and similar expenses	1627	21	627 (138,255,805)	628	(150,043,818)
a) concerning affiliated undertakings	1629	5 & 12	629 (39,568,389)	630	(71,916,328)
b) other interest and similar expenses	1631		631 (98,687,416)	632	(78,127,490)
15. Tax on profit or loss	1635	13	635 (16,568,782)	636	47,698,886
16. Profit or loss after taxation	1667		667 48,593,570	668	484,078,145
17. Other taxes not shown under items 1 to 16	1637	13	637 (5,527,134)	638	(2,300,492)
18. Profit or loss for the financial year	1669		669 43,066,436	670	481,777,653

Amazon EU S à r l
Société à responsabilité limitée

Notes to the annual accounts
As at 31 December 2016

Note 1 - General

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

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

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

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

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

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

Note 2 - Significant accounting policies

General principles

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

Presentation and basis of the annual accounts

Certain modifications have been made to the format of the annual accounts for the year ended 31 December 2016 in conformity with the changes brought by the law of 18 December 2015. These modifications affect the presentation of certain balances but they have no net impact on the result of the Company. Certain prior year amounts have been reclassified to conform to the current year format.

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

Notes to the annual accounts
As at 31 December 2016

Note 2 - Significant accounting policies (continued)

Stocks

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

Debtors

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

Other investments

Investments 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 and 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 reserve".

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

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

Notes to the annual accounts
As at 31 December 2016

Note 2 - Significant accounting policies (continued)

The following table presents the currency translation rates from GBP to EUR as of 31 December 2016 and 2015, and the average rates for the years ended 31 December 2016 and 2015.

2016 Average rate	31 December 2016 Closing rate	2015 Average rate	31 December 2015 Closing rate
1.22	1.17	1.38	1.36

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 arrangements with multiple deliverables are divided into separate units and revenue is allocated to each element based on their relative selling prices. Depending on the element, the revenue is either recognized upon delivery or on a straight line basis over the estimated period of the service.

Revenue primarily consists of net product sales and related revenues.

Use of estimates

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

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

Notes to the annual accounts
As at 31 December 2016

Note 3 - Intangible assets

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

	31 December 2016 TEUR	31 December 2015 TEUR
Cost at the beginning of the year	48,225	50,137
Additions	—	39,981
Disposals	(10,371)	(41,893)
Cost at the end of the year	<u>37,854</u>	<u>48,225</u>
Accumulated amortisation at the beginning of the year	(3,609)	(950)
Amortisation charged during the year	(5,413)	(3,677)
Disposals	—	1,018
Accumulated amortisation at the end of the year	<u>(9,022)</u>	<u>(3,609)</u>
Net book value at the end of the year	<u>28,832</u>	<u>44,616</u>

Note 4 - Tangible assets

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

	31 December 2016 TEUR	31 December 2015 TEUR
Cost at the beginning of the year	29,299	14,895
Additions	15,434	15,300
Disposals	(6)	(896)
Cost at the end of the year	<u>44,727</u>	<u>29,299</u>
Accumulated depreciation at the beginning of the year	(8,729)	(5,416)
Depreciation charged during the year	(5,808)	(3,509)
Disposals	5	196
Accumulated depreciation at the end of the year	<u>(14,532)</u>	<u>(8,729)</u>
Net book value at the end of the year	<u>30,195</u>	<u>20,570</u>

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

Notes to the annual accounts
As at 31 December 2016

Note 5 - Shares in affiliated undertakings

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

Company name	Ownership		Carrying amount	
	31 December	31 December	31 December	31 December
	2016	2015	2016	2015
	%	%	TEUR	TEUR
Amazon Data Services Ireland Limited, Ireland	100%	100%	434,440	434,440
Amazon UK Services Limited, UK (1)	100%	100%	284,626	98,540
Amazon Fulfillment Poland Sp z o o , Poland (2)	100%	100%	179,798	152,462
Amazon Spain Fulfillment, S L , Spain (3)	100%	100%	89,011	12,011
Amazon Deutschland Services GmbH, Germany	100%	100%	79,430	79,430
The Book Depository Limited, UK	100%	100%	30,469	30,469
Amazon Italia Logistica S r l , Italy (4)	100%	100%	20,010	10
LOVEFiLM International Limited, UK (5)	100%	100%	5,418	345,845
FinLux S à r.l , Luxembourg (6)	100%	100%	380	88,380
Others (7)			82,654	81,537
Total			1,206,236	1,323,124

- (1) In November 2016, the Company increased its investment in Amazon UK Services Limited, UK by a cash contribution of TGBP 160,000 (TEUR 186,086).
- (2) In 2016, the Company increased its investment in Amazon Fulfillment Poland Sp z o.o., Poland by cash contributions of TPLN 117,500 (TEUR 27,336)
- (3) In 2016, the Company increased its investment in Amazon Spain Fulfillment, S.L., Spain by cash contributions of TEUR 77,000.
- (4) In July 2016, the Company increased its investment in Amazon Italia Logistica S.r.l , Italy by a cash contribution of TEUR 20,000
- (5) In June 2016, the Company decreased its investment in LOVEFiLM International Limited, UK by TGBP 252,720 (TEUR 322,797) as a result of a capital reduction undertaken by LOVEFiLM International Limited, UK, in the form of an assignment of loans receivable. Subsequently, the Company received a dividend of TGBP 45,378 (TEUR 50,373) and, as a result, recorded a value adjustment of TEUR 17,630 on its investment.
- (6) In October 2016, the Company decreased its investment in FinLux S à r.l., Luxembourg by TEUR 88,000 as a result of a capital reduction undertaken by FinLux S.à r.l., Luxembourg. Subsequently, the Company received an interim dividend of TEUR 16,000
- (7) In November 2016, the Company received an interim dividend of TEUR 250,000 from Amazon Services Europe S.à r.l., Luxembourg.
In December 2016, the Company received, as a distribution in kind, the net assets of Amazon Luxembourg S.à r.l , Luxembourg following its dissolution without liquidation and, as a result, recorded a loss of TEUR 13,469 under "Interest payable and similar expenses".

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

Notes to the annual accounts
As at 31 December 2016

Note 5 - Shares in affiliated undertakings (continued)

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

Note 6 - Stocks

	31 December 2016 TEUR	31 December 2015 TEUR
Stocks - gross	3,220,514	2,755,472
Provision for value adjustments	(246,010)	(262,278)
Stocks	<u>2,974,504</u>	<u>2,493,194</u>

Note 7 - Trade debtors

	31 December 2016 TEUR	31 December 2015 TEUR
Outstanding billed revenues	870,154	758,075
Provision for doubtful accounts	(33,081)	(25,874)
Trade debtors	<u>837,073</u>	<u>732,201</u>

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

Notes to the annual accounts
As at 31 December 2016

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	2016 TEUR	2015 TEUR
A100 ROW GmbH, Germany				
Loan	—	57,882	57,882	71,768
Interest	1	—	1	343
Amazon Italia Logistica S r l , Italy				
Loan	—	55,890	55,890	55,303
Interest	1	—	1	2
Amazon Connect Technology Services (Beijing) Co , Limited, People's Republic of China				
Loan	—	47,243	47,243	47,254
Interest	695	—	695	575
Amazon Joyo Co , Limited, People's Republic of China				
Loan	—	16,954	16,954	16,918
Interest	204	—	204	127
A100 ROW Servicos De Dados Brasil Limitada, Brazil				
Loan	—	16,666	16,666	13,139
Interest	65	—	65	66
Amazon Europe Core S à r.l , Luxembourg				
Loan	—	—	—	813,605
Interest	—	—	—	3,493
Other receivable	—	—	—	106,289
Amazon Services Europe S à r l , Luxembourg	60,617	—	60,617	—
Amazon Online Germany GmbH, Germany	24,834	—	24,834	—
FinLux S à r l , Luxembourg	27	—	27	89,462
Amazon Payments Europe S C A , Luxembourg	—	—	—	170,314
Others	28,486	1,248	29,734	67,063
	<u>114,930</u>	<u>195,883</u>	<u>310,813</u>	<u>1,455,721</u>

The interest income related to loans amounts to TEUR 12,091 for the year ended 31 December 2016 (2015: TEUR 10,620).

Note 9 - Investments

The following table summarizes other investments

	31 December 2016 TEUR	31 December 2015 TEUR
Marketable securities	<u>205,636</u>	<u>111,008</u>

The market value of the other investments amounts to TEUR 206,084 as at 31 December 2016 (31 December 2015: TEUR 111,189).

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

Notes to the annual accounts
As at 31 December 2016

Note 10 - Capital and reserves

	31 December 2015 TEUR	Allocation of results TEUR	Translation adjustment TEUR	Capital increase TEUR	Results for the year TEUR	31 December 2016 TEUR
Subscribed capital	38	—	—	—	—	38
Share premium account	70,906	—	—	450,000	—	520,906
Revaluation reserve	54,522	—	6,820	—	—	61,342
Legal reserve	4	—	—	—	—	4
Other non available reserves	3,145	(605)	—	—	—	2,540
Profit or (loss) brought forward	(15,339)	289,659	—	—	—	274,320
Profit or (loss) for the financial year	481,778	(481,778)	—	—	43,066	43,066
Interim dividends	(192,724)	192,724	—	—	—	—
Total	402,330	—	6,820	450,000	43,066	902,216

Subscribed capital

As at 31 December 2016, the subscribed capital amounts to TEUR 37.5 divided into 3 shares with a par value of TEUR 12.5 each

Share premium account

In December 2016, the Company received a cash contribution of TEUR 450,000 allocated to the share premium account.

Legal reserve

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

Other non available reserves

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

Note 11 - Trade creditors

Trade creditors are due and payable within one year

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

Notes to the annual accounts
As at 31 December 2016

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	2016 TEUR	2015 TEUR
Amazon Europe Core S à r l , Luxembourg	390,842	—	390,842	—
Amazon Media EU S à r l , Luxembourg	261,585	—	261,585	161,421
Amazon UK Services Limited, UK	144,064	—	144,064	209,056
Amazon fr Logistique S A S , France	78,435	—	78,435	39,889
Amazon Instant Video Germany GmbH, Germany	67,277	—	67,277	63,434
Amazon Data Services Ireland Limited, Ireland	63,105	—	63,105	63,624
A100 ROW GmbH, Germany	50,007	—	50,007	9,337
Amazon Logistik GmbH, Germany	45,345	—	45,345	35,923
Amazon Instant Video Limited, UK	44,685	—	44,685	118,300
Amazon Deutschland Services GmbH, Germany	43,518	—	43,518	38,305
Amazon Development Centre (London) Limited, UK	42,304	—	42,304	34,024
Amazon Italia Logistica S r l , Italy	35,292	—	35,292	13,068
Amazon Koblenz GmbH, Germany	33,965	—	33,965	24,751
Amazon Spain Fulfillment, S L , Spain	31,335	—	31,335	16,948
Amazon Europe Holding Technologies S C S , Luxembourg	—	—	—	1,653,038
Amazon Services Europe S à r l , Luxembourg	—	—	—	554,225
Others	301,390	5,068	306,458	198,234
	<u>1,633,149</u>	<u>5,068</u>	<u>1,638,217</u>	<u>3,233,577</u>

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

The interest expense related to loans amounts to TEUR 19,751 for the year ended 31 December 2016 (2015: TEUR 49,674).

Note 13 - Tax

The Company is subject to all taxes applicable to commercial companies in Luxembourg, France, Germany, Italy, Spain and the United Kingdom. The Company has secured approval in conformity with Article 164 bis of the Luxembourg law on income tax, for the fiscal consolidation of the Company with Amazon Europe Core S.à r.l., Amazon Media EU S.à r.l., Amazon Payments Europe S.C.A., Amazon Services Europe S.à r.l. and FinLux S.à r.l. The Company is under, or may be subject to, audit or examination and additional assessments by relevant authorities of these particular jurisdictions primarily for 2011 and thereafter. Although we believe our tax estimates are reasonable, the final outcome of such tax audits, examinations, or additional assessments could result in tax liabilities or payments that are materially different from our historical income tax provisions and accruals

Notes to the annual accounts
As at 31 December 2016

Note 13 - Tax (continued)

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 and thereafter. These examinations may lead to ordinary course adjustments or proposed adjustments to our taxes. In September 2012, we received proposed tax assessment notices for calendar years 2006 through 2010 relating to the allocation of income between foreign jurisdictions. In June 2015, we received final tax collection notices for these years assessing additional French tax of €196 million, including interest and penalties through September 2012. We disagree with the assessment and intend to contest it vigorously. We plan to pursue all available administrative remedies, and if we are not able to resolve this matter, we plan to pursue judicial remedies. In addition to the risk of additional tax for years 2006 through 2010, if this litigation is adversely determined or if the FTA were to seek adjustments of a similar nature for subsequent years, we could be subject to significant additional tax liabilities.

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.

Note 14 - Other creditors

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

	Becoming due and payable		Total at at 31 December	
	within 1 year	after 1 year	2016	2015
	TEUR	TEUR	TEUR	TEUR
Sales and related services	215,572	—	215,572	191,885
Other	52,018	58,884	110,902	115,166
	<u>267,590</u>	<u>58,884</u>	<u>326,474</u>	<u>307,051</u>

Note 15 - Deferred income

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

Note 16 - Other external expenses

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

Note 17 - Staff costs

The Company employed an average of 2,537 employees during the financial year 2016 (2015: 1,431)

Notes to the annual accounts
As at 31 December 2016

Note 18 - Emoluments

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

Note 19 - Other operating expenses

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

Note 20 - Other interest receivable and similar income

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

Note 21 - Interest payable and similar expenses

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

Note 22 - Litigation

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

Note 23 - Commitments and contingencies

At 31 December 2016, the operating lease commitment amounts to TEUR 37,595 (2015: TEUR 29,349).

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

In June 2015, the European Commission opened a proceeding against Amazon EU S à r.l. to investigate whether provisions in Amazon's contracts with European publishers violate European competition rules. We believe we comply with European competition rules and are cooperating with the Commission.

See also "Note 13 - Tax"