

218079 / 20

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



Companies House

MONDAY



L5B00761

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11/07/2016

#28

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 request an alteration of manner of incorporation with accounting requirements

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

→ 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

Legislation ②	Please give the legislation under which the accounts have been prepared and, if applicable, the legislation under which the accounts have been audited
	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 <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
Name of organisation or body ③	Ministere de la Justice du Grand-Duche de Luxembourg

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

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
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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.

No Go to Part 3 'Signature'

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

No

Yes.

Part 3

Signature

I am signing this form on behalf of the overseas company

Signature

Signature

X *Kshih* 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

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

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218079/20

**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 2015 and
Independent auditor's report**

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Ernst & Young
Societe anonyme

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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 2015 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.



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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 of 31 December 2015, 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

Ernst & Young
Société anonyme
Cabinet de révision agréé

Gaél Denis

Luxembourg, 26 February 2016

RCSL Nr B101818

Matricule 2004 2413 314

eCDF entry date

21/03/2016

BALANCE SHEETFinancial year from ⁰¹ 01/01/2015 to ⁰² 31/12/2015 (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	1101	101	102
I Subscribed capital not called	1103	103	104
II Subscribed capital called but unpaid	1105	105	106
B. Formation expenses	1107	107	108
C Fixed assets	1109	109	110
I Intangible fixed assets	1111	111	112
1 Research and development costs	1113	113	114
2 Concessions, patents, licences, trade marks and similar rights and assets, if they were	1115	115	116
a) acquired for valuable consideration and need not be shown under C I 3	1117	117	118
b) created by the undertaking itself	1119	119	120
3 Goodwill, to the extent that it was acquired for valuable consideration	1121	121	122
4 Payments on account and intangible fixed assets under development	1123	123	124
II Tangible fixed assets	1125	125	126
1 Land and buildings	1127	127	128
2 Plant and machinery	1129	129	130

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		19 632 100,00	131	8 772 591,00
4 Payments on account and tangible fixed assets under development	1133		937 544,00	133	706 709,00
III Financial fixed assets	1135	5	1 323 123 829,00	135	1 719 359 427,00
1 Shares in affiliated undertakings	1137		1 323 123 829,00	137	1 719 359 427,00
2 Amounts owed by affiliated undertakings	1139			139	
3 Shares in undertakings with which the undertaking is linked by virtue of participating interests	1141			141	
4 Amounts owed by undertakings with which the undertaking is linked by virtue of participating interests	1143			143	
5 Securities and other financial instruments held as fixed assets	1145			145	
6 Loans and claims held as fixed assets	1147			147	
7 Own shares or own corporate units	1149			149	
D. Current assets	1151		7 775 249 100,00	151	5 864 385 562,00
I Inventories	1153	6	2 493 193 563,00	153	1 920 044 990,00
1 Raw materials and consumables	1155		8 345 182,00	155	6 865 276,00
2 Work and contracts in progress	1157			157	
3 Finished goods and merchandise	1159		2 484 848 381,00	159	1 913 179 714,00
4 Payments on account	1161			161	
II Debtors	1163		2 196 029 942,00	163	1 574 030 897,00
1 Trade receivables	1165	7	732 201 249,00	165	624 631 065,00
a) becoming due and payable within one year	1167		732 201 249,00	167	624 631 065,00
b) becoming due and payable after more than one year	1169			169	
2 Amounts owed by affiliated undertakings	1171	8	1 455 720 560,00	171	943 500 263,00
a) becoming due and payable within one year	1173		415 093 760,00	173	559 392 426,00
b) becoming due and payable after more than one year	1175		1 040 626 800,00	175	384 107 837,00
3 Amounts owed by undertakings with which the undertaking is linked by virtue of participating interests	1177			177	
a) becoming due and payable within one year	1179			179	
b) becoming due and payable after more than one year	1181			181	

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
4 Other receivables	1183	8 108 133,00	5 899 569,00
a) becoming due and payable within one year	1185	8 108 133,00	5 899 569,00
b) becoming due and payable after more than one year	1187		
III Transferable securities and other financial instruments	1189	111 007 633,00	109 288 529,00
1 Shares in affiliated undertakings and in undertakings with which the undertaking is linked by virtue of participating interests	1191		
2 Own shares or own corporate units	1193		
3 Other transferable securities and other financial instruments	1195	111 007 633,00	109 288 529,00
IV Cash at bank, cash in postal cheque accounts, cheques and cash in hand	1197	2 975 017 962,00	2 261 021 146,00
E Prepayments	1199	5 560 774,00	2 094 800,00
TOTAL (ASSETS)	201	9 169 119 461,00	7 644 506 226,00

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>402 329 776,00</u>	302 <u>107 155 816,00</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>54 523 081,00</u>	308 <u>48 402 482,00</u>
IV Reserves	1309 _____	309 <u>3 148 625,00</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>3 144 875,00</u>	318 <u>3 441 524,00</u>
V Profit or loss brought forward	1319 _____	319 <u>-15 338 604,00</u>	320 <u>29 705 388,00</u>
VI Profit or loss for the financial year	1321 _____	321 <u>481 777 653,00</u>	322 <u>-45 340 641,00</u>
VII Interim dividends	1323 _____	323 <u>-192 724 292,00</u>	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>7 962 386 805,00</u>	340 <u>6 996 317 361,00</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 _____

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
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 4 222 193 224,00	368 3 229 716 578,00
a) becoming due and payable within one year	1369	369 4 222 193 224,00	370 3 229 716 578,00
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 3 233 576 971,00	380 3 272 121 875,00
a) becoming due and payable within one year	1381	381 1 575 471 062,00	382 1 004 432 841,00
b) becoming due and payable after more than one year	1383	383 1 658 105 909,00	384 2 267 689 034,00
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	13 195 302 113,00	392 253 269 348,00
a) Tax debts	1393	393 184 471 564,00	394 250 042 463,00
b) Social security debts	1395	395 10 830 549,00	396 3 226 885,00

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
9 Other creditors	1397 <u>14</u>	397 <u>311 314 497,00</u>	398 <u>241 209 560,00</u>
a) becoming due and payable within one year	1399 _____	399 <u>254 019 065,00</u>	400 <u>197 934 864,00</u>
b) becoming due and payable after more than one year	1401 _____	401 <u>57 295 432,00</u>	402 <u>43 274 696,00</u>
E. Deferred income	1403 <u>15</u>	403 <u>804 402 880,00</u>	404 <u>541 033 049,00</u>
TOTAL (LIABILITIES)		405 <u>9 169 119 461,00</u>	406 <u>7 644 506 226,00</u>

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

RCSL Nr B101818

Matricule 2004 2413 314

eCDF entry date

21/03/2016

PROFIT AND LOSS ACCOUNT**Financial year from** ⁰¹ 01/01/2015 **to** ⁰² 31/12/2015 (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	14 032 256 737,00	11 550 610 968,00
2. Other external charges	1603 16	4 474 971 800,00	4 428 492 696,00
3 Staff costs	1605 17 & 18	159 533 525,00	63 648 431,00
a) Salaries and wages	1607	134 869 044,00	55 778 762,00
b) Social security on salaries and wages	1609	24 664 481,00	7 869 669,00
c) Supplementary pension costs	1611		
d) Other social costs	1613		
4 Value adjustments	1615	32 842 174,00	307 324 343,00
a) on formation expenses and on tangible and intangible fixed assets	1617 3 & 4	7 186 048,00	262 658 658,00
b) on current assets	1619 6 & 7	25 656 126,00	44 665 685,00
5 Other operating charges	1621 19	65 628 895,00	351 933 955,00
6. Value adjustments and fair value adjustments on financial fixed assets	1623		72 028 981,00
7. Value adjustments and fair value adjustments on financial current assets. Loss on disposal of transferable securities	1625	675 938,00	
8 Interest and other financial charges	1627	127 801 221,00	99 110 934,00
a) concerning affiliated undertakings	1629 12	49 673 731,00	55 282 345,00
b) other interest and similar financial charges	1631 20	78 127 490,00	43 828 589,00

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
9. Share of losses of undertakings accounted for under the equity method	1649 _____	649 _____	650 _____
10. Extraordinary charges	1633 <u>3, 4 & 5</u>	633 <u>577 673 022,00</u>	634 _____
11. Income tax	1635 <u>13</u>	635 <u>-47 698 886,00</u>	636 <u>-7 471 540,00</u>
12 Other taxes not included in the previous caption	1637 _____	637 <u>2 300 492,00</u>	638 <u>43 650,00</u>
13 Profit for the financial year	1639 _____	639 <u>481 777 833,00</u>	640 <u>0,00</u>
TOTAL CHARGES		641 <u>19 907 762 751,00</u>	642 <u>16 865 722 418,00</u>

RCSL Nr B101818

Matricule 2004 2413 314

B. INCOME

	Reference(s)	Current year	Previous year
1. Net turnover	1701 _____	701 <u>18 616 573 953,00</u>	702 <u>15 463 362 589,00</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 _____ <u>21</u>	713 <u>6 483 961,00</u>	714 <u>1 147 453 145,00</u>
6. Income from financial fixed assets	1715 _____ <u>5</u>	715 <u>589 185 693,00</u>	716 <u>178 982 163,00</u>
a) derived from affiliated undertakings	1717 _____	717 <u>589 185 693,00</u>	718 <u>178 982 163,00</u>
b) other income from participating interests	1719 _____	719 _____	720 _____
7 Income from financial current assets	1721 _____	721 <u>410 531,00</u>	722 <u>5 192 108,00</u>
a) derived from affiliated undertakings	1723 _____	723 _____	724 _____
b) other income from financial current assets	1725 _____	725 <u>410 531,00</u>	726 <u>5 192 108,00</u>
8 Other interest and other financial income	1727 _____	727 <u>41 728 943,00</u>	728 <u>25 391 772,00</u>
a) derived from affiliated undertakings	1729 _____ <u>8</u>	729 <u>10 620 466,00</u>	730 <u>4 933 772,00</u>
b) other interest and similar financial income	1731 _____ <u>22</u>	731 <u>31 108 477,00</u>	732 <u>20 458 000,00</u>
9. Share of profits of undertakings accounted for under the equity method	1745 _____	745 _____	746 _____
10 Extraordinary income	1733 _____ <u>3, 4 & 5</u>	733 <u>653 379 670,00</u>	734 _____
13. Loss for the financial year	1735 _____	735 <u>0,00</u>	736 <u>45 340 641,00</u>
TOTAL INCOME		737 <u>19 907 762 751,00</u>	738 <u>16 865 722 418,00</u>

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

Amazon EU S à r l
Societe à responsabilité limitée

Notes to the annual accounts
As at 31 December 2015

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.

During the year, the Company has established 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.

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 à r l
Société à responsabilité limitée

Notes to the annual accounts
As at 31 December 2015

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 a r l
Société à responsabilité limitée

Notes to the annual accounts
As at 31 December 2015

Note 2 - Significant accounting policies (continued)

The following is a table of the currency translation rates from GBP to EUR as of 31 December 2015 and 2014, and the average rates for the years ended 31 December 2015 and 2014

2015	31 December 2015	2014	31 December 2014
Average rate	Closing rate	Average rate	Closing rate
1 38	1 36	1 24	1 29

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, useful lives of fixed assets, valuation and impairment of investments, inventory valuation and inventory purchase commitments, collectibility 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
Société à responsabilité limitée

Notes to the annual accounts
As at 31 December 2015

Note 3 - Intangible fixed assets

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

	31 December 2015 TEUR	31 December 2014 TEUR
Cost at the beginning of the year	50,137	366,688
Additions	39,981	402,140
Disposals	<u>(41,275)</u>	<u>(718,691)</u>
Cost at the end of the year	<u>48,843</u>	<u>50,137</u>
Accumulated amortisation at the beginning of the year	(950)	(173,690)
Amortisation charged during the year	(3,677)	(260,176)
Disposals	<u>400</u>	<u>432,916</u>
Accumulated amortisation at the end of the year	<u>(4,227)</u>	<u>(950)</u>
Net book value at the end of the year	<u>44,616</u>	<u>49,187</u>

During the year, intellectual property rights were sold to an affiliated undertaking for an amount of TEUR 40,875

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Note 4 - Tangible fixed assets

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

	31 December 2015 TEUR	31 December 2014 TEUR
Cost at the beginning of the year	14,895	16,179
Additions	15,300	6,333
Disposals	<u>(896)</u>	<u>(7,617)</u>
Cost at the end of the year	<u>29,299</u>	<u>14,895</u>
Accumulated depreciation at the beginning of the year	(5,416)	(8,072)
Depreciation charged during the year	(3,509)	(2,483)
Disposals	196	5,139
Accumulated depreciation at the end of the year	<u>(8,729)</u>	<u>(5,416)</u>
Net book value at the end of the year	<u>20,570</u>	<u>9,479</u>

During the year, technology infrastructure were sold to an affiliated undertaking for an amount of TEUR 679

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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	
	2015	2014	2015	2014	
	%	%	TEUR	TEUR	
Amazon Data Services Ireland Limited, Ireland	(1)	100%	100%	434,440	343,440
LOVEFiLM International Limited, UK	(2)	100%	100%	345,845	345,845
Amazon Fulfillment Poland Sp z o o Poland	(3)	100%	100%	152,462	127,596
Amazon UK Services Limited, UK		100%	100%	98,540	98,540
FinLux S à r l , Luxembourg		100%	100%	88,380	88,380
Amazon Deutschland Services GmbH, Germany		100%	100%	79,430	79,430
The Book Depository Limited, UK		100%	100%	30,469	30,469
Beijing Century Joyo Courier Service Co Limited, People's Republic of China	(4)	—	100%	—	225,625
Amazon Logistik GmbH, Germany	(5)	—	100%	—	120,549
Amazon Koblenz GmbH Germany	(6)	—	100%	—	44,121
Amazon fr Holdings S A S , France	(7)	—	100%	—	40,923
Amazon Logistik Potsdam GmbH, Germany	(8)	—	100%	—	25,025
Amazon FC Graben GmbH, Germany	(9)	—	100%	—	21,893
Amazon Logistik Werne GmbH, Germany	(10)	—	100%	—	17,563
Amazon Fulfillment Germany GmbH, Germany	(11)	—	100%	—	13,701
Amazon Logistic Prague s r o , Czech Republic	(12)	—	90%	—	10,175
Others	(13)			93,558	86,084
Total				1,323,124	1,719,359

- (1) In September 2015, the Company increased its investment in Amazon Data Services Ireland Limited, Ireland by a cash contribution of TEUR 91,000
- (2) In December 2015, the Company received an interim dividend in kind of TGBP 428,000 (TEUR 589,186) from LOVEFiLM International Limited, UK
- (3) In September 2015, the Company increased its investment in Amazon Fulfillment Poland Sp z o o , Poland by a cash contribution of TPLN 105,000 (TEUR 24,866)
- (4) In January 2015, the Company sold its 100% equity interest in Beijing Century Joyo Courier Service Co Limited, People's Republic of China to an affiliated undertaking for an amount of TUSD 309,800 (TEUR 259,790)
- (5) In April 2015, the Company sold its 100% equity interest in Amazon Logistik GmbH, Germany to an affiliated undertaking for an amount of TEUR 101,832
- (6) In April 2015, the Company sold its 100% equity interest in Amazon Koblenz GmbH, Germany to an affiliated undertaking for an amount of TEUR 51,645
- (7) In August 2015, the Company received, as a contribution in kind, all the assets and liabilities of Amazon fr Holdings S A S , France following its dissolution without liquidation and, as a result, recorded an extraordinary charge of TEUR 2,398

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Note 5 - Financial fixed assets (continued)

- ⁽⁸⁾ In April 2015, the Company sold its 100% equity interest in Amazon Logistik Potsdam GmbH, Germany to an affiliated undertaking for an amount of TEUR 27,093
- ⁽⁹⁾ In April 2015, the Company sold its 100% equity interest in Amazon FC Graben GmbH, Germany to an affiliated undertaking for an amount of TEUR 33,180
- ⁽¹⁰⁾ In April 2015, the Company sold its 100% equity interest in Amazon Logistik Werne GmbH, Germany to an affiliated undertaking for an amount of TEUR 23,478
- ⁽¹¹⁾ In April 2015, the Company sold its 100% equity interest in Amazon Fulfillment Germany GmbH, Germany to an affiliated undertaking for an amount of TEUR 26,516
- ⁽¹²⁾ In April 2015, the Company increased its investment in Amazon Logistic Prague s r o , Czech Republic by a cash contribution of TCZK 900,000 (TEUR 32,823) The Company subsequently sold its 90% equity interest in Amazon Logistic Prague s r o , Czech Republic to an affiliated undertaking for an amount of TEUR 43,100
- ⁽¹³⁾ During the year, the Company sold its 100% equity interest in several investments under "Others" to an affiliated undertaking for a total amount of TEUR 45,192

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 2015 TEUR	31 December 2014 TEUR
Inventories - gross	2,755,472	2,156,781
Provision for value adjustments	(262,278)	(236,736)
Inventories	<u>2,493,194</u>	<u>1,920,045</u>

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Note 7 - Trade receivables

	31 December 2015 TEUR	31 December 2014 TEUR
Outstanding billed revenues	758,075	650,391
Provision for doubtful accounts	(25,874)	(25,760)
Trade receivables	<u>732,201</u>	<u>624,631</u>

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	2015 TEUR	2014 TEUR
Amazon Europe Core S à r l , Luxembourg				
Loans	—	813,605	813,605	75,000
Interest	3,493	—	3,493	544
Other receivable	106,289	—	106,289	—
FinLux S à r l , Luxembourg				
Loan	—	2,389	2,389	2,335
Interest	5	—	5	5
Other receivable	87,068	—	87,068	336,035
A100 ROW GmbH, Germany				
Loan	—	71,768	71,768	60 000
Interest	343	—	343	270
Amazon Italia Logistica Srl, Italy				
Loan	—	55,303	55,303	42,222
Interest	2	—	2	—
Amazon Connect Technology Services (Beijing) Co Limited, People's Republic of China				
Loan	—	47,254	47 254	47,243
Interest	575	—	575	587
Amazon Joyo Co , Limited, People's Republic of China China				
Loan	—	16 918	16,918	16,736
Interest	127	—	127	172
A100 ROW Servicos De Dados Brasil Limitada, Brazil				
Loan	—	13,139	13,139	17,324
Interest	66	—	66	107
Amazon Payments Europe S C A , Luxembourg	170,314	—	170,314	104,625
Others	46,812	20,251	67,063	240,295
	<u>415,094</u>	<u>1,040,627</u>	<u>1,455,721</u>	<u>943,500</u>

The interest income in relation to loans amounts to TEUR 10,620 for the year ended 31 December 2015 (2014 TEUR 4,934)

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Note 9 - Transferable securities

The following table summarizes current transferable securities

	31 December 2015 TEUR	31 December 2014 TEUR
Marketable securities	<u>111,008</u>	<u>109,289</u>

The market value of the current transferable securities amounts to TEUR 111,189 as at 31 December 2015 (31 December 2014 TEUR 109,922)

Note 10 - Capital and reserves

	31 December 2014 TEUR	Allocation of results TEUR	Translation adjustment TEUR	Dividend distribution TEUR	Results for the year TEUR	31 December 2015 TEUR
Subscribed capital	38	—	—	—	—	38
Share premium	70,906	—	—	—	—	70,906
Revaluation reserves	48,402	—	6,120	—	—	54,522
Legal reserve	4	—	—	—	—	4
Other reserves	3,442	(297)	—	—	—	3,145
Profit or (loss) brought forward	29,705	(45,044)	—	—	—	(15,339)
Interim dividends	—	—	—	(192,724)	—	(192,724)
Profit or (loss) for the financial year	(45,341)	45,341	—	—	481,778	481,778
Total	<u>107,156</u>	<u>—</u>	<u>6,120</u>	<u>(192,724)</u>	<u>481,778</u>	<u>402,330</u>

Subscribed capital

As at 31 December 2015 and 2014, 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.

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.

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Note 10 - Capital and reserves (continued)

Interim dividends

In December 2015, the Board of Managers approved the distribution of an interim dividend in kind of TEUR 192,724

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	2015 TEUR	2014 TEUR
Amazon Europe Holding Technologies S C S , Luxembourg				
Loan	—	1,653,038	1,653,038	2,227,525
Amazon Services Europe S à r l , Luxembourg	554,225	—	554,225	250,570
Amazon UK Services Limited, UK	209,056	—	209,056	140,571
Amazon Media EU S à r l Luxembourg	161,421	—	161,421	57,177
Amazon Instant Video Limited, UK	118,300	—	118,300	130,167
Amazon Data Services Ireland Limited, Ireland	63,624	—	63,624	16,817
Amazon Instant Video Germany GmbH, Germany	63,434	—	63,434	42,015
Amazon Deutschland Services GmbH, Germany	38,305	—	38,305	33,403
Amazon fr Logistique S A S , France	39,889	—	39,889	14,095
Amazon Logistik GmbH, Germany	35,923	—	35,923	22,710
Amazon Development Centre (London) Limited, UK	34,024	—	34,024	25,969
Amazon Koblenz GmbH, Germany	24,751	—	24,751	17,553
Amazon Logistik Werne GmbH, Germany	24,319	—	24,319	17,836
Others	208,200	5,068	213,268	275,714
	<u>1,575,471</u>	<u>1,658,106</u>	<u>3,233,577</u>	<u>3,272,122</u>

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

The interest expense in relation to the loans amounts to TEUR 49,674 for the year ended 31 December 2015 (2014 TEUR 55,282)

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Note 13 - Tax and social security

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 a r l , Amazon Luxembourg S à r l , Amazon Payments Europe S C A , Amazon Services Europe S à r l and FinLux S à 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 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 EUR 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 at the FTA, and if we are not able to resolve this matter with the FTA, 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.

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	2015	2014
	TEUR	TEUR	TEUR	TEUR
Marketing and sales	191,885	—	191,885	159,151
Other	62,134	57,295	119,429	82,059
	<u>254,019</u>	<u>57,295</u>	<u>311,314</u>	<u>241,210</u>

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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 - Other external charges

Other external charges 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 1,431 employees during the financial year 2015 (2014 538)

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 charges

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

Note 20 - Other interest and similar financial charges

Other interest and similar financial charges are primarily related to foreign exchange losses

Note 21 - Other operating income

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

Note 22 - Other interest and similar financial income

Other interest and similar financial income are primarily related to realized foreign exchange gain

Note 23 - 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.

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Note 24 - Commitments and contingencies

At 31 December 2015, the operating lease commitment amounts to TEUR 14,147 (2014 TEUR 19,069)

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 and social security"