Company No 3910627

Dpreview.com Limited
Report and Financial Statements

31 December 2009

TABLE OF CONTENTS — PAGE

DIRECTORS

Philip Askey
Michael D Deal
Brian McBride

SECRETARIES

Vincent Collins
Mitre Secretaries Limited

REGISTERED OFFICE

Patriot Court
1-9 The Grove
Slough
Berkshire
SL1 1QP

AUDITORS

Ernst & Young LLP
Apex Plaza
Forbury Road
Reading
Berkshire
RG1 1YE

BANKERS

HSBC Bank plc
60 Queen Victoria Street
London
EC4N 4TR

SOLICITORS

Cameron McKenna LLP
Mitre House
160 Aldersgate Street
London
EC1A 4DD

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 Dpreview com Limited ("**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 reduced 15% in 2009 to $1,995,801 (2008 $2,353,839) and the Company made an operating profit for the year of $533,493 (2008 $1,303,112) The operating results are stated after a share based payment expense of $499,446 (2008 $292,493) The directors do not recommend the payment of any dividends (2008 $nil)

The functional currency and the presentation currency is US dollars which is the currency of the primary economic environment in which the Company operates

PRINCIPAL ACTIVITY AND REVIEW OF THE BUSINESS

The principal activity of the Company is the maintenance of a website devoted to digital photography and on-line advertising sales With effect from July 1 2009, the Company has licensed its intellectual property rights to another group company, IMDB com Inc , under a royalty arrangement whereby the Company earns a fee for the use of its licensed content

The key performance indicator for the Company is advertising sales, royalty income and the control of related 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 RISK AND UNCERTAINTIES

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, 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

FINANCIAL RISK MANAGEMENT

The financial risks facing the Company are broadly grouped as liquidity and credit

Liquidity risk The Company believes it retains sufficient cash to ensure it has funds available for operations

Currency risk Certain liabilities are incurred in pound sterling, therefore the risk is upon translation Operating results may differ from expectations due to currency fluctuations No foreign currency hedging is undertaken locally as the exposure is immaterial to the Amazon Group

DIRECTORS' REPORT

for the year ended 31 December 2009

DIRECTORS AND THEIR INTERESTS

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

Philip Askey
Michael D Deal
Brian McBride

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

DIRECTORS' LIABILITY

The Company has indemnified one or more of the directors of the Company against liability in respect of proceedings brought by third parties subject to the conditions set out in s234 of the Companies Act 2006 Such qualifying third party indemnity provisions were in force during the year and are in force as at the date of approving the directors' report

DISCLOSURE OF INFORMATION TO AUDITORS

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

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 24-03-2010
Date

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 DPREVIEW.COM LIMITED

We have audited the financial statements of Dpreview com Limited for the year ended 31 December 2009 which comprise the Profit and Loss Account, the Balance Sheet and the related notes 1 to 18 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 profit 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 DPREVIEW.COM LIMITED

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	2,529,294	3,656,951
Administrative expense		(1,995,801)	(2,353,839)
OPERATING PROFIT	3	533,493	1,303,112
Interest receivable	6	1,304	3,322
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		534,797	1,306,434
Tax charge on profit on ordinary activities	7	(154,055)	(281,667)
PROFIT FOR THE FINANCIAL YEAR	17	380,742	1,024,767

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			
Intangible asset	8	8,558	9,497
Tangible assets	9	139,646	250,621
Investments	10	100	100
		148,304	260,218
CURRENT ASSETS			
Debtors			
amounts falling due within one year	11(a)	167,479	2,329,774
amounts falling due after one year	11(b)	135,274	58,371
Cash at bank		4,412,084	1,685,687
		4,714,837	4,073,832
CREDITORS: amounts falling due within one year	12	(1,022,409)	(1,373,506)
NET CURRENT ASSETS		3,692,428	2,700,326
NET ASSETS		3,840,732	2,960,544
CAPITAL AND RESERVES			
Called up share capital	16	162	162
Foreign exchange reserve	17	724,784	724,784
Share based awards	17	973,952	474,506
Profit and loss account	17	2,141,834	1,761,092
SHAREHOLDERS' FUNDS	17	3,840,732	2,960,544

Approved by the Board

Brian McBride
Director

Date 24-03-2010

Company Number 3910627

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

The financial statements contain information about the Company as an individual Company and do not contain consolidated financial information as the parent of a group The Company is exempt under s228A of the Companies Act 2006 from the requirement to prepare consolidated financial statements as the ultimate controlling company produces publicly available consolidated accounts including the results of the Company

Turnover

Turnover, which is stated net of value added tax, represents amounts invoiced to customers and 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

Investment in Subsidiaries

Investment in subsidiaries is recorded at cost

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

Furniture and fixtures	-	5 years
Leasehold improvements	-	Lower of expected useful life or lease term
Desktop computers	-	2 years
Technology infrastructure	-	3 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

Leases

No assets are held under finance lease Rental payments under operating leases are charged to the profit and loss account on a straight line basis over the term of the lease

Intangible assets

Intangible assets are initially recorded at cost

1. ACCOUNTING POLICIES (continued)

Amortisation

Intangibles are amortised on a straight line basis over their estimated useful life of 10 years The carrying value of intangible assets is reviewed for impairment at the end of the first full year following acquisition and in other periods if events or changes in circumstances indicate the carrying value may not be recoverable

Foreign currencies

The functional currency and the presentation currency of the Company is US Dollar which is the currency of the primary economic environment in which the Company operates Transactions in foreign currencies are recorded at the exchange 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 The exchange rate ruling at 31 December 2009 was US$1 617076 = £1 (2008 US$1 460280 = £1)

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

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 payments 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 18)

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 PROFIT

This is stated after charging/(crediting):

	2009	2008
	$	$
Depreciation of tangible fixed assets	110,975	100,542
Amortization of intangible asset	939	1,621
Auditor's remuneration - audit of financial statements	10,960	13,891
Operating lease rentals – buildings	53,173	62,608
Net (gain)/loss on foreign currency translation	(16,222)	159,258

4. STAFF COSTS

	2009	2008
	$	$
Salaries	691,288	696,164
Social security costs	75,322	91,828
Staff pension contributions	12,694	6,037
Equity settled share based awards	499,446	292,493
	1,278,750	1,086,522

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

	No	No
Management and administration staff	10	8

5. DIRECTORS' EMOLUMENTS

	2009	2008
	$	$
Aggregate emoluments in respect of qualifying services	139,624	159,110
Value of Company pension contribution to money purchase scheme	-	-

	2009	2008
	No	No
Members of money purchase pension scheme	-	-
Directors who received share based awards	1	1
Directors who vested in or exercised share based awards	1	-

5. DIRECTORS' EMOLUMENTS (continued)

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 the 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 years ended 31 December 2009 and 31 December 2008

6. INTEREST RECEIVABLE

	2009	*2008*
	$	*$*
Bank interest receivable	1,304	3,322

7. TAXATION

7(a) Tax on profit on ordinary activities

The tax charge is made up as follows

	2009	*2008*
	$	*$*
Current tax		
UK Corporation tax	238,775	399,609
Adjustment in respect of previous years	(7,817)	(103,440)
Total current tax charge (note 7(b))	230,958	296,169
Deferred tax		
Current year	(70,234)	(26,102)
Adjustment in respect of previous periods	(6,669)	11,600
Total deferred tax credit (Note 7(c))	(76,903)	(14,502)
Tax charge on profit on ordinary activities	154,055	281,667

7. TAXATION (continued)

7(b) Factors affecting current tax charge

The tax assessed on the profit on ordinary activities for the year is different than the standard rate of corporation tax in the UK of 28% (2008 28 5%) The differences are reconciled below

	2009	2008
	$	$
Profit on ordinary activities before taxation	534,797	1,306,434
Profit on ordinary activities multiplied by standard rate of corporation tax of 28% (2008 28 5%)	149,742	372,316
Timing differences on capital allowance claims	18,607	2,679
Expenses not deductible for tax	59	-
Timing differences on share based awards	70,367	24,614
Adjustment in respect of previous years	(7,817)	(103,440)
Total current tax charge (note 7(a))	230,958	296,169

7(c) Deferred tax

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

	2009	2008
	$	$
Capital allowances in advance of depreciation	14,706	(7,365)
Timing differences on share based awards	120,568	65,736
Total deferred tax asset recognised in the financial statements	135,274	58,371

	$
Deferred tax asset at 1 January 2009	58,371
Arising during the year	76,903
Deferred tax asset at 31 December 2009	135,274

8. INTANGIBLE ASSET

Intangible asset represents the Company's domain name (www dpreview com)

	Domain Name $
Cost	
At 1 January 2009 and 31 December 2009	11,912
Amortisation	
At 1 January 2009	2,415
Provided during the year	939
At 31 December 2009	3,354
Net book value	
At 31 December 2009	8,558
At 1 January 2009	9,497

The intangible assets are being written off over their expected life of 10 years

9. TANGIBLE ASSETS

	Furniture & Fixtures $	*Leasehold Improvements* $	*Desktop Computers* $	*Technology Infrastructure* $	*Total* $
Cost					
At 1 January 2009 and 31 December 2009	30,798	102,300	39,096	194,984	367,178
Depreciation					
At 1 January 2009	6,168	20,486	21,539	68,364	116,557
Provided during the year	8,865	22,156	17,557	62,397	110,975
At 31 December 2009	15,033	42,642	39,096	130,761	227,532
Net book value					
At 31 December 2009	15,765	59,658	-	64,223	139,646
At 1 January 2009	24,630	81,814	17,557	126,620	250,621

10. INVESTMENT IN SUBSIDIARIES

Name of Company	*Country*	*Holding*	*Proportion of voting rights and shares held*	*Nature of business*
Dpreview com (BVI) Limited	British Virgin Islands	Ordinary Shares	100%	To hold domain names

	Subsidiary Undertaking
	$
Cost and net book value as at 1 January 2009 and 31 December 2009	100

The results of the subsidiary are included in the consolidated financial statements of Amazon com Inc

11. DEBTORS

	2009	*2008*
	$	*$*
11(a) Amounts falling due within one year		
Trade debtors	60,041	1,141,505
Amounts owed by group undertakings	35,186	1,093,307
Prepayments	47,418	64,509
Other taxation	16,779	6,851
Other debtors	8,055	23,602
	167,479	2,329,774
11(b) Amounts falling due after one year		
Deferred tax asset	135,274	58,371

12. CREDITORS

	2009	*2008*
	$	*$*
Amounts falling due within one year		
Amounts owed to group undertakings	653,210	822,252
Corporation tax	223,123	377,642
Other taxation and social security	31,208	69,813
Other creditors	114,868	103,799
	1,022,409	1,373,506

13. COMMITMENTS UNDER OPERATING LEASES

Annual commitments under non cancellable operating leases are as follows

	2009 Land and buildings	*2008 Land and buildings*
	$	*$*
Operating lease which expire		
In over five years	53,266	48,102
	53,266	48,102

14. 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

15. 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

16. SHARE CAPITAL

		2009		*2008*
	No	*$*	*No*	*$*
Authorised				
Ordinary shares of £1 each ($1 62 USD)	1,000	1,620	1,000	1,620

		2009		*2008*
	No	*$*	*No*	*$*
Allotted, called up and fully paid				
Ordinary shares of £1 each ($1 62 USD)	100	162	100	162

17. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	Share capital $	*Share based awards* $	*Foreign exchange reserve* $	*Profit and loss account* $	*Total shareholders' fund* $
At 1 January 2008	162	182,013	724,784	736,325	1,643,284
Profit for the year	-	-	-	1,024,767	1,024,767
Share based awards	-	292,493	-	-	292,493
At 31 December 2008	162	474,506	724,784	1,761,092	2,960,544
Profit for the year	-	-	-	380,742	380,742
Share based awards	-	499,446	-	-	499,446
At 31 December 2009	162	973,952	724,784	2,141,834	3,840,732

18. SHARE BASED AWARD PLANS

Amazon com, Inc ("Amazon") may grant equity awards to employees, officers and directors of Amazon and its subsidiaries which include Dpreview com Limited, as well as to consultants, agents, advisors and independent contractors, pursuant to Amazon's 1997 Stock Incentive Plan (the "1997 Plan") and Amazon's 1999 Nonofficer Employee Stock Option Plan (the "1999 Plan") Amazon may grant equity awards in the form of stock options, stock, or restricted stock units ("RSUs") Equity awards are evidenced by, and subject to the terms and conditions of, an agreement between the recipient and Amazon, as well as the terms and conditions of the applicable plan (and, where applicable, sub-plans in jurisdictions where local tax law or other regulations merit their adoption, such as in the U K) 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, on a one-for-one basis, upon vesting There is no exercise price associated with an RSU Employees vest in RSUs 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

Amazon has only granted RSU's 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 $499,446 (2008 $292,493)

18. SHARE BASED AWARD PLANS (continued)

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

	2009		2008	
		Weighted Avg Share Price at grant date		*Weighted Avg Share Price at grant date*
RSU's	*Number*	*$*	*Number*	*$*
Outstanding at the beginning of the year	12,448	68 18	12,700	71 46
Granted during the year	2,762	72 82	3,902	61 11
Forfeited during the year	1,409	58 59	784	71 46
Vested during the year [1]	4,375	69 40	3,370	71 58
Outstanding at the end of the year [2]	9,426	70 41	12,448	68 18

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

	2010	2011	2012	2013	Total
Scheduled vesting	5,622	2,656	952	196	9,426

[1] The weighted average share price at the date of share based awards vesting was $84 82 (2008 $61 16)

[2] For the share based award outstanding as at 31 December 2009, the weighted average remaining contractual life is 8 1 years (2008 8 8 years)