

AMAZON COM INC
Form S-4/A
September 25, 2009
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As filed with the Securities and Exchange Commission on September 25, 2009

Registration No. 333-160831

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

AMENDMENT NO. 2
TO
FORM S-4
REGISTRATION STATEMENT
UNDER
THE SECURITIES ACT OF 1933

AMAZON.COM, INC.

(Exact name of registrant as specified in its charter)

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Delaware (State or other jurisdiction of incorporation or organization)	5961 (Primary Standard Industrial Classification Code Number) 1200 12th Avenue South, Suite 1200 Seattle, WA 98144-2734 (206) 266-1000	91-164860 (I.R.S. Employer Identification Number)
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(Address, including zip code, and telephone number, including area code, of registrant's principal executive offices)

L. Michelle Wilson

Senior Vice President, General Counsel and Secretary

Amazon.com, Inc.

1200 12th Avenue South, Suite 1200

Seattle, Washington 98144-2734

(206) 266-1000

(Name, address, including zip code, and telephone number, including area code, of agent for service)

Copies to:

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Approximate date of commencement of proposed sale of the securities to the public: As soon as practicable after the effective date of this Registration Statement.

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If the securities being registered on this Form are being offered in connection with the formation of a holding company and there is compliance with General Instruction G, check the following box. "

If this Form is filed to register additional securities for an offering pursuant to Rule 462(b) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. "

If this Form is a post-effective amendment filed pursuant to Rule 462(d) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. "

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of "large accelerated filer," "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer Accelerated filer Non-accelerated filer Smaller reporting company
 If applicable, place an X in the box to designate the appropriate rule provision relied upon in conducting this transaction:

Exchange Act Rule 13e-4(i) (Cross-Border Issuer Tender Offer)
 Exchange Act Rule 14d-1(d) (Cross-Border Third Party Tender Offer)

CALCULATION OF REGISTRATION FEE

Title of each class of securities to be registered	Amount to be registered(1)	Proposed maximum offering price per share	Proposed maximum aggregate offering price(2)	Amount of registration fee(3)
Common Stock, \$0.01 par value per share	10,010,000	N/A	\$81,161,113	\$4,529(4)

1. Represents the maximum number of shares of Amazon.com Common Stock estimated to be issued in the transaction described herein. Pursuant to Rule 416 under the Securities Act of 1933, as amended (the "Securities Act"), there are also being registered such additional shares of Common Stock that may be issued because of events such as recapitalizations, stock dividends, stock splits and reverse stock splits, and similar transactions.
2. Based on the sum of the aggregate book value of Zappos.com, Inc. equity securities to be cancelled in the transaction described herein as of March 31, 2009, the latest practicable date prior to the date of filing of this registration statement, in accordance with Rule 457(f)(2) of the Securities Act, and the aggregate exercise (offering) price of employee stock options to be assumed in the transaction described herein, in accordance with Rule 457(h)(1) of the Securities Act. Zappos.com, Inc. is a private company and no market exists for its equity securities.
3. Based on 0.00005580 of the proposed maximum aggregate offering price calculated as described in note 2 above.
4. Previously paid.

The Registrant hereby amends this Registration Statement on such date or dates as may be necessary to delay its effective date until the Registrant shall file a further amendment which specifically states that this Registration Statement shall thereafter become effective in accordance with Section 8(a) of the Securities Act of 1933 or until the Registration Statement shall become effective on such date as the Commission, acting pursuant to said Section 8(a), may determine.

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The information in this consent solicitation/prospectus is not complete and may be changed. We may not sell the securities discussed herein until the Registration Statement filed with the Securities and Exchange Commission is effective. This consent solicitation/prospectus is not an offer to sell these securities and it is not soliciting an offer to buy these securities in any state where the offer or sale is not permitted.

SUBJECT TO COMPLETION DATED SEPTEMBER 25, 2009

CONSENT SOLICITATION OF ZAPPOS.COM, INC.

PROSPECTUS OF AMAZON.COM, INC.
[], 2009

We are pleased to report that the Zappos.com, Inc. Board of Directors has approved a merger involving Zappos.com, Inc. ("Zappos") and Amazon.com, Inc. ("Amazon"). Before we can complete the merger, we must obtain the approval of Zappos shareholders, and we are sending you this document to ask you to approve the merger and adopt and approve the merger agreement and the transactions contemplated thereby by executing and returning the written consent furnished with this consent solicitation/prospectus. No vote of Amazon shareholders is required to complete the merger.

If the merger is completed:

outstanding shares of Zappos common stock and preferred stock will be converted into the right to receive shares of Amazon common stock (with cash paid in lieu of any fractional share), based on the formula set forth in the merger agreement and described in "Summary of the Merger Agreement" Merger Consideration; Conversion of Shares in the Merger" on page 49 of this consent solicitation/prospectus;

outstanding options to purchase Zappos common stock held by employees of Zappos will be converted into Amazon options to purchase Amazon common stock, based on a formula set forth in the merger agreement and described in "Summary of the Merger Agreement" Treatment of Zappos Options" on page 51 of this consent solicitation/prospectus; and

a portion of Amazon common stock to be paid as merger consideration for Zappos common stock and preferred stock and a portion of any shares issuable under Zappos options that are assumed by Amazon will be held in escrow, as described in "Summary of the Merger Agreement" Escrow Fund" on page 52 of this consent solicitation/prospectus.

In connection with the merger, we are also asking holders of Zappos Series A, Series B, Series C and Series D preferred stock to consent to conversion of the series of preferred stock that they own into shares of Zappos common stock, contingent upon adoption and approval of the merger agreement, and effective immediately before consummation of the merger.

The total merger consideration is equal to (a) \$838,000,000, *minus* (b) \$52,000,000 for Zappos' net debt as of March 31, 2009, *plus* (c) the lesser of (1) \$35,000,000 and (2) the aggregate exercise price of all stock purchase rights, whether vested or unvested, outstanding and unexercised as of the closing of the merger, *plus* the aggregate exercise price of all stock purchase rights exercised between June 8, 2009 and the closing of the merger, *minus* (d) the lesser of (1) \$15,000,000 and (2) Zappos' transaction expenses incurred in connection with the merger. The total aggregate number of Amazon shares to be issued in connection with the merger, including future issuance under vested and unvested stock purchase rights assumed in the merger, is the total merger consideration *divided by* \$81.09, which is the average of the closing prices of Amazon common stock for the forty-five trading days ending July 17, 2009.

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Each share of Zappos common stock would convert into at least 0.1688 shares of Amazon common stock if (i) all outstanding Zappos Series A, Series B, Series C and Series D preferred stock and Zappos Series B warrants are converted to Zappos common stock before the merger, (ii) the aggregate exercise price of all Zappos stock purchase rights outstanding at the closing of the merger or exercised between June 8, 2009 and the closing remains \$30,000,000 (the approximate amount on July 22, 2009) and (iii) Zappos' transaction expenses are \$15,000,000 (the maximum amount). However, the final exchange ratio for Zappos common stock in the merger is expected to be higher. For example, if, in the example above, the aggregate exercise price of all Zappos stock purchase rights outstanding at the closing of the merger or exercised between June 8, 2009 and the closing is \$33,000,000 and the Zappos' transaction expenses are \$12,000,000, then each share of Zappos common stock will be converted into approximately 0.1694 shares of Amazon common stock and Amazon will issue approximately 9,952,000 shares of its common stock in the merger.

Amazon's common stock is traded on the NASDAQ Global Select Market under the symbol AMZN. The closing price of Amazon's common stock on July 21, 2009, the day immediately before the announcement of the merger, was \$89.01.

The Zappos Board of Directors has carefully considered the merger and the terms of the merger agreement and has determined that the merger is fair, advisable and in the best interests of Zappos and its shareholders. Accordingly, the Zappos Board of Directors has unanimously approved the merger and adopted and approved the merger agreement and the transactions contemplated thereby and recommends that you approve the merger and adopt and approve the merger agreement and the transactions contemplated thereby.

The Zappos Board of Directors has set September 25, 2009 as the record date for determining holders of Zappos common stock and preferred stock entitled to execute and deliver written consents with respect to this solicitation. If you are a record holder of outstanding Zappos common stock or preferred stock on that date, you are urged to complete, date and sign the enclosed written consent and promptly return it to Zappos. See Solicitation of Written Consents Submission of Consents on page 31. The Zappos Board of Directors has set October 26, 2009 as the target final date for receipt of written consents. Zappos reserves the right to extend the final date for receipt of written consents without any prior notice to shareholders.

We urge you to read this consent solicitation/prospectus, and the documents incorporated by reference into this consent solicitation/prospectus, carefully and in their entirety; in particular, see **Risk Factors** beginning on page 19.

Alfred Lin
Chairman, Chief Operating Officer and
Chief Financial Officer

Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of these securities, or determined if this consent solicitation/prospectus is truthful or complete. Any representation to the contrary is a criminal offense.

This consent solicitation/prospectus is dated [], 2009, and is first being mailed to Zappos shareholders on or about [], 2009.

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Zappos.com, Inc.

2280 Corporate Circle Drive, Suite 100

Henderson, Nevada 89074

Notice of Solicitation of Written Consent

To Shareholders of Zappos:

Zappos has entered into the Agreement and Plan of Merger, dated as of July 22, 2009, among Amazon.com, Inc. (Amazon), Zeta Acquisition, Inc., Zappos.com, Inc. (Zappos) and Alfred Lin as shareholder representative (as amended from time to time, the Merger Agreement), pursuant to which Zappos will merge with a wholly-owned subsidiary of Amazon (the Merger).

This consent solicitation/prospectus is being delivered to you on behalf of the Zappos Board of Directors (the Zappos Board) to request that holders of Zappos common stock and preferred stock as of September 25, 2009 (the Record Date) execute and return written consents:

To approve the Merger and adopt and approve the Merger Agreement and the transactions contemplated thereby; and

If you are a holder of Zappos Series A, Series B, Series C or Series D preferred stock, to approve the conversion of all of the shares of the series of Zappos preferred stock that you own into shares of Zappos common stock, contingent upon adoption and approval of the Merger Agreement and effective immediately before consummation of the Merger.

As a record holder of outstanding Zappos common stock or preferred stock on the Record Date, you are urged to complete, date and sign the enclosed written consent and promptly return it to Zappos. The Zappos Board has set October 26, 2009 as the target final date for receipt of written consents. Zappos reserves the right to extend the final date for receipt of written consents without any prior notice to shareholders.

This consent solicitation/prospectus describes the proposed Merger and the actions to be taken in connection with the Merger and provides additional information about the parties involved. Please give this information your careful attention. A copy of the Merger Agreement is attached as *Appendix A* to this consent solicitation/prospectus.

A summary of the dissenters' rights that may be available to you is provided in the section entitled *Rights of Dissenting Shareholders* on page 66.

The Zappos Board has carefully considered the Merger and the terms of the Merger Agreement and has determined that the Merger is fair, advisable and in the best interests of Zappos and its shareholders. Accordingly, the Zappos Board unanimously recommends that Zappos shareholders approve the Merger and adopt and approve the Merger Agreement and the transactions contemplated thereby by executing and delivering the written consent furnished with this consent solicitation/prospectus.

Regardless of the number of shares you own, your written consent is important. Please complete, date and sign the written consent furnished with this consent solicitation/prospectus and return it promptly to Zappos by one of the means described in *Solicitation of Written Consents - Submission of Consents* on page 31.

By Order of the Board of Directors,

Alfred Lin

**Chairman, Chief Operating Officer and
Chief Financial Officer**

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ADDITIONAL INFORMATION

This consent solicitation/prospectus incorporates important business and financial information about Amazon that is not included or delivered with this document. You may obtain this information without charge through the Securities and Exchange Commission (SEC) website (www.sec.gov) or upon your written or oral request by contacting Investor Relations, Amazon.com, Inc., P.O. Box 81226, Seattle, WA 98108-1226 or by calling 1-800-426-6825. To ensure timely delivery, any request should be made at least five (5) business days before the target date for receipt of written consents, or October 19, 2009. For additional details about where you can find information about Amazon, see **Where You Can Find More Information on page 87.**

You should rely only on the information contained or incorporated by reference in this document. We have not authorized anyone to provide you with different information. This document is dated September 25, 2009. You should not assume that information contained in this document is accurate as of any date other than that date. Neither the mailing of this document to Zappos shareholders nor the issuance by Amazon of common stock in the Merger will create any implication to the contrary.

Amazon has supplied all information relating to Amazon contained or incorporated by reference in this document and Zappos has supplied all information relating to Zappos in this document.

Information on the Internet websites of Amazon or Zappos, or any subsidiary of Amazon or Zappos, is not part of this document. You should not rely on that information in deciding whether to approve the Merger and adopt and approve the Merger Agreement and the transactions contemplated thereby unless that information is in this document or has been incorporated by reference into this document.

FORWARD-LOOKING STATEMENTS

Certain statements contained in this consent solicitation/prospectus, including information incorporated by reference, are not statements of historical fact and constitute forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995 (the Act). Examples of forward-looking statements, include, but are not limited to: (i) projections of revenues, income or loss, earnings or loss per share, cash flow, the payment or non-payment of dividends, capital structure, and other financial items, (ii) statements of plans and objectives by management or boards of directors including those relating to the expected operation and management of Zappos following the Merger and expected benefits, efficiencies and integration of operations from and following the Merger, (iii) statements of future economic performance and (iv) statements of assumptions underlying such statements. Words such as anticipates, believes, expects, future, intends, targeted, may, similar expressions are used to identify forward-looking statements but are not the exclusive means of identifying such statements.

Forward-looking statements reflect management's current expectations, are inherently uncertain and are subject to known and unknown risks, uncertainties and other factors that may cause actual results to differ materially from those contemplated by the forward-looking statements for a variety of reasons. Factors that could cause future results to differ materially from expected results include, but are not limited to: failure or inability to consummate the Merger, effects of the Merger on Amazon's financial results, the effect of regulatory approvals, the difficulty in determining the fair value of Zappos, the potential inability to successfully operate or integrate Zappos' businesses, including the potential inability to retain customers, key employees or vendors, fluctuations in foreign exchange rates, changes in global economic conditions and consumer spending, world events, the rate of growth of the Internet and online commerce, as well as the amount that Amazon invests in new business opportunities and the timing of those investments, the mix of products sold to customers, the mix of net sales derived from products as compared with services, the extent to which Amazon owes income taxes, competition, management of growth, potential fluctuations in operating results, international growth and expansion, the

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outcomes of legal proceedings and claims, fulfillment center optimization, risks of inventory management, seasonality, the degree to which Amazon enters into, maintains and develops commercial agreements, acquisitions and strategic transactions, and risks of fulfillment throughput and productivity. Other risks and uncertainties include, among others, risks related to new products, services and technologies, system interruptions, government regulation and taxation, payments and fraud. In addition, the current global economic climate amplifies many of these risks. These risks and uncertainties, as well as other risks and uncertainties that could cause our actual results to differ significantly from management's expectations, are described in greater detail in "Risk Factors" beginning on page 19.

Such forward-looking statements speak only as of the date on which such statements are made, and neither Amazon nor Zappos undertake any obligation to update any forward-looking statement to reflect events or circumstances after the date on which such statement is made to reflect the occurrence of unanticipated events.

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QUESTIONS AND ANSWERS

The following are some questions that you, as a shareholder of Zappos, may have regarding the Merger, the Merger Agreement and the other matters being considered by Zappos shareholders and brief answers to those questions. Zappos urges you to read carefully the remainder of this consent solicitation/prospectus because the information in this section may not provide all the information that might be important to you with respect to the Merger and the other matters being considered by Zappos shareholders. Additional important information is also contained in the appendices to, and the documents incorporated by reference in, this consent solicitation/prospectus.

Q1: Who is soliciting my written consent?

A1: The Zappos Board is providing these consent solicitation materials to you. These materials also constitute a prospectus with respect to the Amazon common stock issuable to Zappos shareholders in the Merger.

Q2: What am I being asked to approve?

A2: You are being asked to approve the Merger and adopt and approve the Merger Agreement and the transactions contemplated thereby. In addition, if you are a holder of Zappos Series A, Series B, Series C or Series D preferred stock, you are being asked to approve the conversion of all of the shares of the series of Zappos preferred stock that you own into shares of Zappos common stock, contingent upon adoption and approval of the Merger Agreement and effective immediately before consummation of the Merger.

Q3: Who is entitled to give a written consent?

A3: The Zappos Board has set September 25, 2009 as the Record Date for determining holders of Zappos common stock and preferred stock entitled to execute and deliver written consents with respect to this solicitation. Holders of Zappos common stock and preferred stock on the Record Date will be entitled to give a consent using the written consent furnished with this consent solicitation/prospectus. If you are a Zappos shareholder on the Record Date, you will be able to give or withhold a consent, or abstain, on each proposal on which you are entitled to vote, using the written consent furnished with this consent solicitation/prospectus.

Q4: What will I receive in the Merger?

A4: Under the Merger Agreement, the number of shares of Amazon common stock to be issued as consideration in the Merger is affected by a number of factors described in this consent solicitation/prospectus, and the number of shares of Amazon common stock issued for each share of Zappos common stock will be affected by the extent to which Zappos shareholders elect to convert preferred shares to common stock before the Merger. Each share of Zappos common stock would convert into at least 0.1688 shares of Amazon common stock if (i) all outstanding Zappos Series A, Series B, Series C and Series D preferred stock and Zappos Series B warrants are converted to Zappos common stock before the Merger, (ii) the aggregate exercise price of all Zappos stock purchase rights (including options and warrants) (collectively, the "Stock Purchase Rights") outstanding at the closing of the Merger or exercised between June 8, 2009 and the closing remains \$30,000,000 (the approximate amount on July 22, 2009) and (iii) Zappos' transaction expenses are \$15,000,000 (the maximum amount). However, the final exchange ratio for Zappos common stock in the Merger is expected to be higher. All non-dissenting Zappos shareholders also will have a portion of the Merger consideration that they would otherwise be entitled to receive deposited in (a) an escrow fund that will be used to compensate Amazon if Amazon is entitled to indemnification under the Merger Agreement and (b) a shareholder representative expense fund that will be used to reimburse Alfred Lin, as shareholder representative (the "Shareholder Representative"), for expenses incurred in performance of his duties as the shareholder representative (including legal fees and related expenses).

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Q5: What is the recommendation of the Zappos Board?

A5: The Zappos Board has determined that the Merger is fair, advisable and in the best interests of Zappos and you and unanimously recommends that you approve the Merger and adopt and approve the Merger Agreement and the transactions contemplated thereby by executing and delivering the written consent furnished with this consent solicitation/prospectus.

Q6: Why is my written consent important?

A6: We cannot complete the Merger unless Zappos shareholders approve the Merger and adopt and approve the Merger Agreement and the transactions contemplated thereby. Approval of the Merger and adoption and approval of the Merger Agreement and the transactions contemplated thereby requires: (i) the approval of a majority of the outstanding shares of Zappos common stock; (ii) the approval of a majority of the voting power of the outstanding shares of Zappos preferred stock; and (iii) the approval of a majority of the voting power of the outstanding shares of Zappos Series E and Series F preferred stock, tabulated together as a single class. In addition, Amazon is not required to complete the Merger unless holders of not more than 15% of the total shares of Zappos common stock and Zappos preferred stock collectively are, or have the ability to become, dissenting shares, pursuant to the California General Corporation Law, meaning that holders of shares representing at least 85% of the shares of Zappos common stock and preferred stock collectively outstanding immediately prior to the effective time of the Merger have adopted and approved the Merger Agreement or otherwise allowed their dissenters' rights to lapse under California law or did not have dissenters' rights because such shares were not issued and outstanding as of the Record Date.

Certain shareholders and affiliates of Zappos have entered into a voting agreement under which they have agreed to execute and return consents with respect to their shares of Zappos capital stock (as well as options and warrants exercised prior to the Record Date), approving the Merger and adopting and approving the Merger Agreement and the transactions contemplated thereby. Therefore, under the voting agreement, we expect to receive a number of consents sufficient to satisfy the majority approval requirements described above. The shares held by parties to the voting agreement also represent approximately 77% of the shares of common and preferred stock collectively outstanding as of the Record Date. Therefore, unless waived by Amazon, the 85% approval condition described above can only be satisfied if, in addition to holders that are bound by the voting agreement, holders of 3,414,621 shares of Zappos common stock and preferred stock, representing approximately 8% of all outstanding shares of Zappos common stock and preferred stock, either return consents approving the Merger and adopting and approving the Merger Agreement and the transactions contemplated thereby or otherwise allow their dissenters' rights to lapse.

Regardless of the number of shares you own, your written consent is important. The Zappos Board unanimously recommends that Zappos shareholders approve the Merger and adopt and approve the Merger Agreement and the transactions contemplated thereby by executing and delivering the written consent furnished with this consent solicitation/prospectus.

In addition, if you are a holder of Zappos Series A, Series B, Series C and/or Series D preferred stock, approving the conversion of all of the shares of the series of preferred stock that you own into shares of Zappos common stock contingent upon adoption and approval of the Merger Agreement and effective immediately before consummation of the Merger provides you with a ready means to receive the merger consideration payable to holders of Zappos common stock and yet convert your shares of Zappos Series A, Series B, Series C and Series D preferred stock only if the Merger Agreement is adopted and approved. Approval of the conversion of all of the shares of Zappos Series A, Series B, Series C and Series D preferred stock requires the consent of more than fifty percent of the outstanding shares of each such series of preferred stock. The conversion of any series of preferred stock is not contingent upon the approval by holders of any other series of the conversion of such other series. See Summary of the Merger Agreement Merger Consideration; Conversion of Shares in the Merger on page 49 and Approval of Conversion of Zappos Series A, Series B, Series C and Series D Preferred Stock to Zappos Common Stock on page 84.

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Q7: What options do I have with respect to the proposals?

A7: With respect to the shares of Zappos common stock and preferred stock that you hold, you may execute a written consent to approve each proposal (which is equivalent to a vote for the proposal) or to disapprove each proposal (which is equivalent to a vote against the proposal). If you fail to execute and return your written consent, it has the same effect as voting against the proposal.

Q8: How can I return my written consent?

A8: If you hold shares of Zappos common stock or preferred stock as of the Record Date and you wish to submit your consent, you must fill out the enclosed written consent, date and sign it, and promptly return it to Zappos. Once you have completed, dated and signed your written consent, deliver it to Zappos by faxing your written consent to Zappos legal counsel, Fenwick & West LLP, Attention Connie Duong, at (650) 938-5200, by emailing a pdf copy of your written consent to cduong@fenwick.com, or by mailing your written consent to Fenwick & West LLP at Silicon Valley Center, 801 California Ave., Mountain View, CA 94041, Attention: Connie Duong.

We will not be holding a shareholders meeting to consider these proposals, and therefore you will be unable to vote by attending a shareholders meeting.

Q9: What happens if I do not return my written consent?

A9: If you are a record holder of shares of Zappos common stock or preferred stock and you do not return your written consent, that will have the same effect as a vote against the proposals.

Q10: What if I am a record holder and I don't indicate a decision with respect to the proposals?

A10: If you are a record holder and you return a signed written consent without indicating your decision on a proposal, you will have given your consent to approve the Merger and adopt and approve the Merger Agreement and the transactions contemplated thereby and approve the conversion of all of the shares of the series of Zappos Series A, Series B, Series C and Series D preferred stock that you own, if any, into shares of Zappos common stock, contingent upon adoption and approval of the Merger Agreement and effective immediately before consummation of the Merger.

Q11: What is the deadline for returning my written consent?

A11: The Zappos Board has set October 26, 2009 as the targeted final date for receipt of written consents. Zappos reserves the right to extend the final date for receipt of written consents beyond October 26, 2009 in the event that consents approving the Merger and adopting and approving the Merger Agreement and the transactions contemplated thereby have not been obtained by that date from holders of a sufficient number of shares of Zappos common stock and Zappos preferred stock to satisfy the conditions to the Merger. Any such extension may be made without notice to shareholders. Once all conditions to the Merger have been satisfied or waived, the consent solicitation will conclude.

Q12: Can I change or revoke my written consent?

A12: Yes, if you are a record holder on the Record Date of shares of Zappos common stock or preferred stock, you may change or revoke your consent to a proposal at any time before the consents of a sufficient number of shares to approve and adopt such proposal have been filed with the Secretary of Zappos. If you wish to change or revoke your consent before that time, you may do so by sending in a new written consent with a later date by one of the means described in the section entitled Solicitation of Written Consents Submission of Consents on page 31, or delivering a notice of revocation to the Secretary of Zappos.

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Q13: Can I exercise dissenters' rights?

A13: If you are a Zappos shareholder who did not approve the Merger via written consent, you may, by complying with Sections 1300 through 1313 of the California General Corporation Law, be entitled to the dissenters' rights described therein. Sections 1300 through 1313 of the California General Corporation Law are attached to this consent solicitation/prospectus as *Appendix B*. Failure to follow precisely any of the statutory procedures set forth in *Appendix B* may result in the loss or waiver of dissenters' rights under California law.

Q14: Should I send in my stock certificates now?

A14: No. After we complete the Merger, Amazon will send instructions to you explaining how to exchange your Zappos shares for a certificate or direct registration statement for your Amazon shares.

Q15: When do you expect to complete the Merger?

A15: We currently expect to complete the Merger in the fall of 2009. However, we cannot assure you when or if the Merger will occur. We must first obtain approval of Zappos shareholders and satisfy other conditions to completing the Merger.

Q16: Will I be taxed on the shares of Amazon common stock that I receive?

A16: Generally, no. The Merger has been structured to qualify as a reorganization within the meaning of Section 368(a) of the Internal Revenue Code of 1986, as amended (the "Code"). As a result, it is anticipated that a Zappos shareholder generally will not recognize any gain or loss for United States federal income tax purposes on the exchange of shares of Zappos stock for shares of Amazon common stock in the Merger, except for gain or loss attributable to cash received in lieu of a fractional share of Amazon common stock. Certain Zappos shareholders may be subject to special tax rules. Shareholders should consult their tax advisors for a full understanding of all of the tax consequences of the Merger to them. See "Material United States Federal Income Tax Considerations" on page 64.

Q17: Whom should I call if I have questions?

A17: If you have questions about the Merger or the process for returning your written consent or if you need additional copies of this document or a replacement written consent, please contact: Alfred Lin, Chairman, Chief Operating Officer and Chief Financial Officer at alfred@zappos.com, (702) 943-7820 or 2280 Corporate Circle Drive, Suite 100, Henderson, Nevada 89074.

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SUMMARY

This summary highlights the material information from this consent solicitation/prospectus. It does not contain all of the information that may be important to you. You should read carefully this entire document and the documents to which it refers you to fully understand the Merger. See *Where You Can Find More Information* on page 87.

Parties to the Merger

Zappos, a California corporation, is an online retailer that sells apparel, shoes, handbags, eyewear, watches, electronics and other products. Established in 1999, Zappos has quickly become one of the leaders in online apparel and footwear by striving to provide shoppers with the best possible service and selection. The principal executive office of Zappos is located at 2280 Corporate Circle Drive, Suite 100, Henderson, Nevada 89074, and its telephone number is (702) 943-7677.

Amazon, a Delaware corporation, seeks to be Earth's most customer-centric company for its three primary customer sets: consumer customers, seller customers and developer customers. Amazon serves its consumer customers through retail websites and focus on selection, price and convenience. Amazon designs its websites to enable millions of unique products to be sold by Amazon and by third parties across dozens of product categories. Amazon serves its seller customers by offering programs that enable sellers to sell their products on Amazon's websites and their own branded websites and to fulfill orders through Amazon. Amazon serves developer customers through Amazon Web Services, which provides access to technology infrastructure that developers can use to enable virtually any type of business. Amazon's common stock is traded on the NASDAQ Global Select Market under the symbol *AMZN*. Amazon's principal executive office is located at 1200 Avenue South, Suite 1200, Seattle, Washington 98144-2734, and its telephone number is (206) 266-1000.

Adoption and Approval of the Merger Agreement

Persons Entitled to Consent; Record Date

The Record Date for shareholders of Zappos is the close of business on September 25, 2009. Only shareholders as of the Record Date will be notified of, and be entitled to consent to the proposals. See *Solicitation of Written Consents Shares Entitled to Consent and Consent Required* on page 31.

Consents

The Zappos Board is asking shareholders of Zappos to execute and return the written consent furnished with this consent solicitation/prospectus to approve the Merger and adopt and approve the Merger Agreement and the transactions contemplated thereby, including the agreement of merger to be filed with the California Secretary of State referenced in the Merger Agreement, through which Zeta Acquisition Inc., a California corporation and wholly-owned subsidiary of Amazon (*Zeta Acquisition*), will merge with and into Zappos, so that Zappos, as the surviving entity, will become a wholly-owned subsidiary of Amazon. See *Solicitation of Written Consents Recommendation of the Zappos Board* on page 32.

Holders of Zappos Series A, Series B, Series C and Series D preferred stock also are being asked to consent to the conversion of all of the shares of those series of preferred stock into shares of Zappos common stock, contingent upon adoption and approval of the

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Merger Agreement and effective immediately before consummation of the Merger, by executing and returning the written consent furnished with this consent solicitation/prospectus. See Approval of Conversion of Zappos Series A, Series B, Series C and Series D Preferred Stock to Zappos Common Stock on page 84.

Recommendation of the Board of Directors of Zappos

The Zappos Board has unanimously approved the Merger and adopted and approved the Merger Agreement and the transactions contemplated thereby and recommends that the shareholders approve the Merger and adopt and approve the Merger Agreement and the transactions contemplated thereby by executing and delivering the written consent furnished with this consent solicitation/prospectus. The Zappos Board reviewed several factors in reaching its decision to recommend that shareholders approve the Merger and adopt and approve the Merger Agreement and the transactions contemplated thereby and believes that the Merger is fair, advisable and in the best interests of Zappos and its shareholders. See Solicitation of Written Consents Recommendation of the Zappos Board on page 32.

Interests of Certain Persons in the Merger

In considering the recommendation of the Zappos Board with respect to the Merger Agreement and the Merger, Zappos shareholders should be aware that certain executive officers and directors of Zappos have interests in the Merger that may be different from, or in addition to, the interests of Zappos shareholders generally. These interests, which are described more fully in Proposed Merger Interests of Certain Persons in the Merger on page 47 of this consent solicitation/prospectus, include that three of our executive officers, Anthony Hsieh, Alfred Lin and Fred Mossler, will remain employed under existing employment arrangements and, in addition, that Messrs. Lin and Mossler will be granted 44,394 and 36,995 Amazon restricted stock units, respectively. The Zappos Board was aware of these interests and considered them, among other matters, in making its recommendation.

Consent Revocability

Consents of Zappos shareholders are revocable at any time before the consents of a sufficient number of shares to approve and adopt the proposal have been filed with the Secretary of Zappos. See Solicitation of Written Consents Executing Consents; Revocation of Consents on page 32.

Required Consents

Approval of the Merger and adoption and approval of the Merger Agreement and the transactions contemplated thereby requires: (i) the approval of a majority of the outstanding shares of Zappos common stock; (ii) the approval of a majority of the voting power of the outstanding shares of Zappos preferred stock; and (iii) the approval of a majority of the voting power of the outstanding shares of Zappos Series E and Series F preferred stock, tabulated together as a single class.

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In addition, Amazon is not required to complete the Merger unless holders of not more than 15% of the total shares of Zappos common stock and Zappos preferred stock collectively are, or have the ability to become, dissenting shares, pursuant to the California General Corporation Law, meaning that holders of shares representing at least 85% of the shares of Zappos common stock and preferred stock collectively outstanding have approved the Merger and adopted and approved the Merger Agreement and the transactions contemplated thereby or otherwise allowed their dissenters' rights to lapse under California law or did not have dissenters' rights because such shares were not issued and outstanding as of the Record Date.

Although not required to consummate the Merger, Zappos is also seeking approval of the conversion of all of the shares of each of the Zappos Series A, Series B, Series C and Series D preferred stock into Zappos common stock, which requires the consent of more than fifty percent of the outstanding shares of such series of preferred stock. See Solicitation of Written Consents Shares Entitled to Consent and Consent Required on page 31.

No shareholder approval of Amazon is required by the Merger Agreement or applicable law.

Voting Agreement

Concurrently with the execution of the Merger Agreement, certain shareholders and affiliates of Zappos, who collectively hold (i) a majority of the outstanding shares of Zappos common stock on a fully diluted basis, (ii) a majority of the voting power of the outstanding shares of Zappos preferred stock and (iii) a majority of the voting power of the outstanding shares of Series E and Series F preferred stock, collectively, entered into a voting agreement with Amazon in which they have agreed to execute and return consents with respect to their shares of Zappos capital stock and options and warrants exercised prior to the Record Date approving the Merger and adopting and approving the Merger Agreement and the transactions contemplated thereby. The voting agreement provides for a sufficient number of consents to be executed and delivered to satisfy the majority approval requirement described immediately above in Required Consents. The shares held by parties to the voting agreement also represent approximately 77% of the shares of common and preferred stock collectively outstanding as of the Record Date. Therefore, unless waived by Amazon, the 85% approval condition described immediately above under Required Consents can only be satisfied if, in addition to holders that are bound by the voting agreement, holders of 3,414,621 shares of Zappos common stock and preferred stock, representing approximately 8% of all outstanding shares of Zappos common stock and preferred stock, either return consents approving the Merger and adopting and approving the Merger Agreement and the transactions contemplated thereby or otherwise allow their dissenters' rights to lapse. This condition is described more fully above in Required Consents. See Solicitation of Written Consents Voting Agreement on page 32.

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Outstanding Shares

As of the Record Date, the outstanding voting securities of Zappos consist of 21,469,674 shares of Zappos common stock, and an aggregate of 23,747,180 shares of all series of Zappos preferred stock, including an aggregate of 7,018,976 shares of Zappos Series E and Series F preferred stock. As of the Record Date, directors, executive officers and their affiliates held 47% of Zappos common stock, 87% of Zappos preferred stock, and 68% of the shares of common and preferred stock collectively outstanding as of the Record Date. All of these shares are subject to the voting agreement described above. See *Principal Shareholders of Zappos* on page 70.

Risk Factors

In evaluating the Merger, Merger Agreement and transactions contemplated thereby, you should carefully read this consent solicitation/prospectus, the documents incorporated by reference into this written consent/prospectus and especially consider the factors discussed in the section entitled *Risk Factors* beginning on page 19.

Agreement and Plan of Merger

Consideration for Your Shares

The Total Merger Consideration is equal to (a) \$838,000,000, *minus* (b) \$52,000,000 for Zappos net debt as of March 31, 2009, *plus* (c) the lesser of (1) \$35,000,000 and (2) the aggregate exercise price of all stock purchase rights, including options and warrants, (collectively, the *Stock Purchase Rights*), whether vested or unvested, outstanding and unexercised as of the closing of the Merger, *plus* the aggregate exercise price of all *Stock Purchase Rights* exercised between June 8, 2009 and the closing of the Merger, *minus* (d) the lesser of (1) \$15,000,000 and (2) Zappos transaction expenses incurred in connection with the Merger. The total aggregate number of Amazon shares to be issued in connection with the Merger, including future issuance under vested and unvested *Stock Purchase Rights* assumed in the Merger, is the Total Merger Consideration *divided by* \$81.09, which is the average of the closing prices of Amazon common stock for the forty-five trading days ending July 17, 2009.

Each share of Zappos common stock would convert into at least 0.1688 shares of Amazon common stock if (i) all outstanding Zappos Series A, Series B, Series C and Series D preferred stock and Zappos Series B warrants are converted to Zappos common stock before the Merger, (ii) the aggregate exercise price of all Zappos *Stock Purchase Rights* outstanding at the closing of the Merger or exercised between June 8, 2009 and the closing remains \$30,000,000 (the approximate amount on July 22, 2009) and (iii) Zappos transaction expenses are \$15,000,000 (the maximum amount). However, the final exchange ratio for Zappos common stock in the Merger is expected to be higher.

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Holders of Zappos preferred stock, if not converted prior to the Merger, will receive a number of shares of Amazon common stock for each share of Zappos preferred stock calculated as the liquidation preference of that particular series of Zappos preferred stock (less, in the case of the Series E and Series F preferred stock, an allocable share of Zappos transaction expenses) *divided by* \$81.09, as follows:

in the case of Zappos Series A preferred stock, each share will be converted into 0.0012 shares of Amazon common stock;

in the case of Zappos Series B preferred stock, each share will be converted into 0.0024 shares of Amazon common stock;

in the case of Zappos Series C preferred stock, each share will be converted into 0.0056 shares of Amazon common stock;

in the case of Zappos Series D preferred stock, each share will be converted into 0.0098 shares of Amazon common stock;

in the case of Zappos Series E preferred stock, each share will be converted into the number of shares of Amazon common stock equal to (a) \$24.64 *minus* the Series E per share transaction expenses, *divided by* (b) \$81.09; and

in the case of Zappos Series F preferred stock, each share will be converted into the number of shares of Amazon common stock equal to (a) \$24.642 *minus* the Series F per share transaction expenses, *divided by* (b) \$81.09.

The Series E per share transaction expenses will be zero if any share of Series E preferred stock outstanding at the effective time of the Merger does not vote in favor of the Merger. Similarly, the Series F per share transaction expenses will be zero if any share of Series F preferred stock outstanding at the effective time does not vote in favor of the Merger. See Summary of the Merger Agreement Merger Consideration; Conversion of Shares in the Merger on page 49.

Fractional Shares

Amazon will not issue fractional shares in the Merger. Instead, Zappos shareholders who receive Amazon common stock will receive the value of any fractional share in cash, determined by multiplying (a) the fraction of a share of Amazon common stock that such holder would otherwise be entitled to receive (aggregating all shares of Zappos capital stock held at the effective time of the Merger by such holder and rounded to the nearest thousandth when expressed in decimal form) *by* (b) \$81.09. See Summary of the Merger Agreement Fractional Shares on page 51.

Treatment of Zappos Stock Options

Unless otherwise agreed by Amazon and any affected Zappos stock option holders, and except for certain options held by non-employees, each outstanding option to purchase Zappos common stock pursuant to the Zappos 2009 Stock Plan, formerly the Zappos 1999 Stock Plan, will be converted into an option to purchase, on the same terms and conditions as such Zappos stock option (including any vesting or

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forfeiture provisions or repurchase rights), a number of shares of Amazon common stock (rounded down to the nearest whole share) equal to (a) the number of shares of Zappos common stock subject to each Zappos stock option immediately prior to the effective time of the Merger, *multiplied by* (b) the number of shares of Amazon common stock to be received in the Merger for each share of Zappos common stock (the Common Exchange Ratio) at an exercise price per share (rounded up to the nearest whole cent) equal to (x) the exercise price per share of Zappos common stock otherwise purchasable pursuant to such Zappos stock option *divided by* (y) the Common Exchange Ratio. Zappos has agreed to take all commercially reasonable action at or prior to the effective time to enable the substitution of Amazon stock options for Zappos stock options. See Summary of the Merger Agreement Treatment of Zappos Options on page 51.

Amazon is not required to complete the Merger unless the holders of at least 85% of the Zappos stock options outstanding at the effective time of the Merger, in the aggregate, execute option consents in connection with the Merger. Pursuant to the terms of the option consents, option holders agree, among other things, (a) to be bound by the indemnification provisions of Article VIII of the Merger Agreement and the escrow agreement, to be entered into by Amazon, the Shareholder Representative and the escrow agent (the Escrow Agreement) (b) that the exercise of any Amazon option prior to February 28, 2011 will result in a contribution to the escrow fund of approximately the portion of shares received upon exercise which would be held in escrow if the shares had been issued as merger consideration, (c) that any option holder indemnification obligations to Amazon will be satisfied by forfeiture of Amazon options in equal proportion to the shareholders' forfeiture of shares held in the escrow fund, and additional Amazon options with an intrinsic value equal to the exercise price of such forfeited options will also be subject to cancellation, (d) to the appointment of Alfred Lin as the option holder representative and attorney-in-fact, and (e) to the waiver of any early exercise rights, if applicable. See Summary of the Merger Agreement Treatment of Zappos Options page 51.

Escrow Fund

Upon completion of the Merger, Amazon will deduct from the merger consideration payable to the Zappos shareholders and deposit into an escrow fund a number of shares of Amazon common stock equal to either (a) 10% of the total number of shares of Amazon common stock issuable to holders of Zappos capital stock if immediately prior to the effective time the total number of shares that could become dissenting shares is less than 5% of the total outstanding shares of Zappos capital stock, or (b) if immediately prior to the effective time of the Merger the total number of shares that could become dissenting shares is equal to or greater than 5% of the total outstanding shares of Zappos capital stock, the product of (i) 10% of the total number of shares of Amazon common stock issuable to holders of Zappos

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capital stock, *multiplied by* (ii) the ratio of (A) the total outstanding shares of Zappos capital stock immediately prior to the effective time of the Merger on a fully diluted basis *divided by* (B) the total outstanding shares of Zappos capital stock immediately prior to the effective time of the Merger on a fully diluted basis *minus* the total number of shares that could become dissenting shares for the purpose of satisfying any indemnification obligations arising under the Merger Agreement. Pursuant to the Merger Agreement, on or about February 28, 2011, the escrow agent will be instructed to release from escrow all Amazon shares other than that number of shares with a value, calculated at \$81.09 per share, of (i) \$40,000,000 *plus* (ii) the value of pending indemnification claims. The remaining shares in escrow, less amounts equal to unsatisfied indemnification claims, will be released on the four year anniversary of the closing of the Merger (or such later date to the extent of pending claims) and otherwise pursuant to the terms of the Escrow Agreement. Escrowed shares remaining in the escrow fund after settlement of all claims will be distributed to Zappos shareholders in accordance with their respective contributions (as adjusted for any amounts delivered to Amazon with respect to a breaching shareholder). See the sections entitled Summary of the Merger Agreement Survival; Indemnification on page 55 and Summary of the Merger Agreement Escrow Fund on page 52.

Shareholder Representative Expense Fund

Upon completion of the Merger, Amazon will deduct from the merger consideration payable to the Zappos shareholders and deposit into an expense fund 0.15% of the total number of shares of Amazon common stock issuable to holders of Zappos capital stock. Pursuant to the Merger Agreement, Amazon common stock held in the expense fund will be distributed at such time as the Shareholder Representative reasonably believes that all of his obligations as the Shareholder Representative have been satisfied pursuant to the terms of the Merger Agreement and Escrow Agreement. See Summary of the Merger Agreement Shareholder Representative Expense Fund on page 53.

Closing Date

The closing of the Merger is expected to take place on the second business day following the satisfaction or, to the extent permitted under the Merger Agreement and by applicable law, waiver of all conditions to the obligations of the parties set forth in the Merger Agreement (other than such conditions as may, by their terms, only be satisfied at the closing), or on such other date as Amazon and Zappos mutually agree (the Closing Date). See Summary of the Merger Agreement Closing and Effectiveness of the Merger on page 53.

Conduct of Business Prior to Closing

Zappos has agreed that prior to the closing of the Merger, its business and the business of its subsidiaries will be conducted in the ordinary course of business consistent with past practice; and that it and each

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of its subsidiaries will use commercially reasonable efforts to preserve substantially intact the business organization and assets of Zappos and its subsidiaries, to keep available the services of the current officers, employees and consultants of Zappos and its subsidiaries and to preserve the current relationships of Zappos and its subsidiaries with customers, suppliers and other persons with which Zappos or any of its subsidiaries has significant business relations. Zappos has also agreed that neither it nor its subsidiaries will take certain other actions during the period between the execution of the Merger Agreement and the Closing Date, subject to certain limited exceptions as set forth in the Merger Agreement, without the prior written consent of Amazon. See Summary of the Merger Agreement Covenants of Amazon and Zappos on page 57.

Dissenters Rights

Holders of Zappos shares who do not approve the Merger via written consent may, under certain circumstances and by following procedures prescribed by California law, exercise dissenters rights and receive cash for their shares of Amazon stock. A dissenting shareholder of Zappos must follow the appropriate procedures under California law or the shareholders will lose such rights. See Rights of Dissenting Shareholders on page 66.

Regulatory Approval

The Merger is subject to certain filing requirements and applicable waiting periods under United States antitrust laws. The Federal Trade Commission, the Department of Justice, a state attorney general, an antitrust enforcement authority in another country, or a private party may challenge the Merger at any time before or after it is completed. See Proposed Merger Regulatory Clearances and Approvals on page 46.

Conditions to the Merger

A number of conditions must be met before the Merger can be completed, including:

Approval of the Merger and adoption and approval of the Merger Agreement and the transactions contemplated thereby by Zappos shareholders;

Receipt by Zappos and Amazon of an opinion of counsel substantially to the effect that for federal income tax purposes, the Merger will constitute a reorganization within the meaning of Section 368(a) of the Code;

Absence of any court or governmental body order prohibiting the consummation of the transactions contemplated by the Merger Agreement; and

Declaration of the effectiveness of the registration statement, of which this consent solicitation/prospectus forms a part, and such registration statement not being subject to a stop order or proceedings seeking a stop order.

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Zappos' obligation to complete the Merger, on the one hand, and Amazon's obligation to complete the Merger, on the other hand, are subject to one another satisfying a number of conditions, including that the other party's representations and warranties, taken as a whole, having been true and correct in all material respects as of the date of the Merger Agreement, except, with respect to certain representations and warranties by Zappos, for such untruths or breaches as would not be expected to have a material adverse effect, and the other party having materially performed all obligations and agreements and materially complied with all covenants and conditions required by the Merger Agreement or other documents to be performed or complied with prior to or at the closing. In addition, Amazon's obligation to complete the Merger is subject to a number of conditions, including:

Anthony Hsieh, Zappos' Chief Executive Officer, Alfred Lin, Zappos' Chairman, Chief Operating Officer and Chief Financial Officer and Fred Mossler, a merchandising officer of Zappos who has the formal title of "No Title", each must remain employed by Zappos in his current position;

Not more than 15% of the total shares of Zappos common stock and Zappos preferred stock collectively are, or have the ability to become, dissenting shares, pursuant to the California General Corporation Law, meaning that holders of shares representing at least 85% of the shares of Zappos common stock and preferred stock collectively outstanding have approved the Merger and adopted and approved the Merger Agreement and the transactions contemplated thereby or otherwise allowed their dissenters' rights to lapse under California law or did not have dissenters' rights because such shares were not issued and outstanding as of the Record Date; and

Holders of at least 85% of the Zappos stock options outstanding at the effective time of the Merger, in the aggregate, have delivered an option consent in form and substance satisfactory to Amazon.

See "Summary of the Merger Agreement - Conditions to the Consummation of the Merger" on page 59.

Summary of Material Federal Income Tax Considerations

It is a condition to the completion of the Merger that Amazon and Zappos each receive a legal opinion from tax counsel to the effect that the Merger will constitute a reorganization within the meaning of Section 368(a) of the Code. Accordingly, it is anticipated that a Zappos shareholder generally will not recognize any gain or loss for United States federal income tax purposes on the exchange of shares of Zappos stock for shares of Amazon common stock in the Merger, except for gain or loss attributable to cash received in lieu of a fractional share of Amazon common stock. Certain Zappos shareholders may be subject to special tax rules. Shareholders should

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consult their tax advisors for a full understanding of all of the tax consequences of the Merger to them. See **Material United States Federal Income Tax Considerations** on page 64.

Termination of the Merger Agreement

The Merger Agreement may be terminated by either party upon the occurrence of certain events, or by written consent of both Amazon and Zappos. See **Summary of the Merger Agreement Termination of the Merger Agreement** on page 62.

Amendment of the Merger Agreement

The Merger Agreement may be amended, modified or supplemented by Amazon and Zappos by action taken or authorized by their respective boards of directors at any time prior to the completion of the Merger (notwithstanding any approval by Zappos shareholders). However, Amazon and Zappos have agreed that after approval of the transactions contemplated by the Merger Agreement by Zappos shareholders, no amendment may be made that would require additional shareholder approval without obtaining such approval. See **Summary of the Merger Agreement Amendment** on page 63.

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The following selected financial information is to aid you in understanding certain financial aspects of Amazon. The annual historical information for Amazon set forth below is derived from its audited consolidated financial statements as of and for each of the fiscal years ended December 31, 2004 through 2008. The information for Amazon as of and for the six months ended June 30, 2009 and June 30, 2008 that is set forth below is derived from its unaudited consolidated interim financial statements. The unaudited financial statements include all adjustments, consisting of normal recurring adjustments, that management of Amazon considers necessary for fair presentation of the financial position and results of operations for such periods in accordance with accounting principles generally accepted in the United States (GAAP).

The information regarding Amazon that is set forth below is only a summary and should be read with Amazon's historical consolidated financial statements and related notes. Amazon's historical consolidated financial statements and related notes are contained in its Annual Report on Form 10-K for the year ended December 31, 2008 and Quarterly Report on Form 10-Q for the quarter ended June 30, 2009, as well as other information filed by Amazon with the SEC. See "Where You Can Find More Information" on page 87.

Pursuant to SEC rules, Amazon's acquisition of Zappos will not require Amazon to file financial information with the SEC on Zappos as a significant subsidiary since none of the financial criteria conditions under SEC Regulation S-X Rule 3-05 will be met at the twenty percent level. However, Zappos' audited financial statements for the fiscal years ended December 31, 2008 and 2007 and Zappos' unaudited consolidated interim financial statements for the three and six months ended June 30, 2009 and 2008 are attached as *Appendix D* and *Appendix E*, respectively, to this consent solicitation/prospectus. Zappos' year-end and interim financial information include all adjustments, consisting of normal recurring adjustments, that management of Zappos considers necessary for fair presentation of the financial position and results of operations for such periods in accordance with GAAP.

The historical results set forth below and elsewhere in this consent solicitation/prospectus are not necessarily indicative of the future performance of Amazon or Zappos. All amounts are in U.S. dollars.

Amazon

	Six Months Ended June 30, 2009 2008 (unaudited)		Year Ended December 31, 2008 2007 2006 2005 2004				
	2009	2008	2008	2007	2006	2005	2004
(in millions, except per share data)							
Income Statement:							
Net sales	\$ 9,541	\$ 8,198	\$ 19,166	\$ 14,835	\$ 10,711	\$ 8,490	\$ 6,921
Income from operations	402	415	842	655	389	432	440
Income before change in accounting principle	319	301	645	476	190	333	588
Cumulative effect of change in accounting principle						26	
Net income	319	301	645	476	190	359	588
Basic earnings per share:							
Prior to cumulative effect of change in accounting principle	\$ 0.74	\$ 0.72	\$ 1.52	\$ 1.15	\$ 0.46	\$ 0.81	\$ 1.45
Cumulative effect of change in accounting principle						0.06	
Basic earnings per share	\$ 0.74	\$ 0.72	\$ 1.52	\$ 1.15	\$ 0.46	\$ 0.87	\$ 1.45
Diluted earnings per share:							
Prior to cumulative effect of change in accounting principle	\$ 0.73	\$ 0.70	\$ 1.49	\$ 1.12	\$ 0.45	\$ 0.78	\$ 1.39
Cumulative effect of change in accounting principle						0.06	
Diluted earnings per share	\$ 0.73	\$ 0.70	\$ 1.49	\$ 1.12	\$ 0.45	\$ 0.84	\$ 1.39
Weighted average shares used in computation of earnings per share:							
Basic	430	419	423	413	416	412	406
Diluted	438	428	432	424	424	426	425
Dividends declared per common share							

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	As of June 30, 2009 2008 (unaudited)		2008	As of December 31, 2007 2006 2005			2004
Balance Sheet:	(in millions, except per share data)						
Total assets	\$ 7,675	\$ 6,322	\$ 8,314	\$ 6,485	\$ 4,363	\$ 3,696	\$ 3,248
Long-term debt	109	433	409	1,282	1,247	1,480	1,835

Market Values of Amazon Securities

Amazon's common stock is quoted on the NASDAQ Global Select Market under the symbol "AMZN". The table below sets forth, for the calendar quarters indicated, the high and low per share sale prices of Amazon common stock as reported by the NASDAQ Global Select Market.

	High	Low
Fiscal Year Ended December 31, 2007		
First Quarter	\$ 42.00	\$ 36.30
Second Quarter	74.72	39.55
Third Quarter	94.26	68.01
Fourth Quarter	101.09	76.50
Fiscal Year Ended December 31, 2008		
First Quarter	97.43	61.20
Second Quarter	84.88	70.65
Third Quarter	91.75	61.32
Fourth Quarter	71.99	34.68
Fiscal Year Ended December 31, 2009		
First Quarter	75.61	47.63
Second Quarter	88.56	71.71
Third Quarter (through September 24, 2009)	94.50	75.41

On July 21, 2009, the last trading day prior to the announcement of the Merger, the last reported sale price of Amazon common stock on the NASDAQ Global Select Market was \$89.01. On September 24, 2009, the most recent practicable date prior to the printing of this consent solicitation/prospectus, the last reported sale price of Amazon common stock on the NASDAQ Global Select Market was \$92.11. We urge you to obtain current stock price quotations for Amazon common stock from a newspaper, the Internet or your broker.

There is no established public trading market for Zappos' common stock or preferred stock.

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RISK FACTORS

You should consider carefully the risks described below in assessing the Merger and an investment in the common stock of Amazon.

Risks Relating to the Merger

There Is No Assurance When or Even If the Merger Will Be Completed

Completion of the Merger is subject to the satisfaction or waiver of a number of conditions. There can be no assurance that Amazon or Zappos will be able to satisfy the closing conditions or that closing conditions beyond their control will be satisfied or waived.

Amazon and Zappos can agree at any time to terminate the Merger Agreement, even if Zappos shareholders have already voted to approve the Merger and adopt and approve the Merger Agreement and the transactions contemplated thereby. Amazon and Zappos can also terminate the Merger Agreement under other specified circumstances.

Amazon's Share Price May Fluctuate Prior to the Completion of the Merger

Upon completion of the Merger, each share of Zappos common stock and preferred stock will be converted into merger consideration consisting of shares of Amazon common stock. Any change in the price of Amazon common stock prior to completion of the Merger will affect the dollar value of the merger consideration that Zappos shareholders will receive upon completion of the Merger. Changes in the price of Amazon common stock could result from a variety of factors, including general market and economic conditions, changes in Amazon's business, operations and prospects and regulatory considerations.

The Issuance of Shares of Amazon Common Stock to Zappos Shareholders in the Merger May Have a Negative Impact on the Amazon Financial Results, including Earnings per Share

If the Merger is completed, approximately 9,952,000 shares of Amazon common stock may be issued to Zappos shareholders based on the number of shares of Zappos stock outstanding as of July 17, 2009, representing 2.3% of the number of shares Amazon common stock outstanding as of July 17, 2009. Once Amazon shares are issued in the Merger, Amazon's earnings per share may be lower than would have been reported by Amazon in the absence of the Merger. There can be no assurance that any increase in Amazon's earnings per share will occur, even over the long term. Any increase in Amazon's earnings per share as a result of the Merger requires, among other things, Amazon to successfully manage the operations of Zappos and increase the consolidated earnings of Amazon after the Merger.

Amazon and Zappos May Be Unable to Obtain the Regulatory Approvals Required to Complete the Merger

The Merger is subject to review by the Federal Trade Commission, (the "FTC") and the Department of Justice ("DOJ") under the Hart-Scott-Rodino Antitrust Improvements Act of 1976, as amended, (the "HSR Act"). Amazon and Zappos made pre-merger notification filings under the HSR Act and the statutory waiting period under the HSR Act has expired. Notwithstanding expiration of the statutory waiting period and clearance of the Merger, and even after completion of the Merger, the FTC, the DOJ, a state attorney general or other United States authorities or other governmental authorities in jurisdictions where Amazon or Zappos conduct business could challenge or seek to block the Merger under the antitrust laws, as they deem necessary or desirable in the public interest. Moreover, in some jurisdictions, a competitor, customer or other third party could initiate a private action under the antitrust laws challenging or seeking to enjoin the Merger, before or after it is completed. There can be no assurance that a challenge to the Merger will not be made or that, if a challenge is made, Amazon and Zappos will prevail.

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There Has Been No Public Market for Zappos Common Stock and Zappos Preferred Stock, and the Lack of a Public Market Makes It Extremely Difficult to Determine the Fair Market Value of Zappos

The outstanding capital stock of Zappos is privately held and is not traded on any public market. The lack of a public market makes it extremely difficult to determine the fair market value of Zappos. The value ascribed to Zappos securities in privately negotiated transactions that have occurred from time to time or in other contexts may not be indicative of the price that Zappos common stock may have traded at if it were traded on a public market. The number of shares of Amazon common stock to be issued to Zappos shareholders was determined based on negotiations between the parties, and likewise may not be indicative of the price at which Zappos common stock may have traded if it were traded on a public market.

Successful Operation of Zappos Businesses and Integration with Amazon Is Not Assured

If the Merger is completed, Zappos will become a wholly-owned subsidiary of Amazon but will operate its websites and continue other aspects of its operations on a basis that is separate from Amazon's websites and operations. There can be no assurance that after the Merger Zappos will be able to maintain and grow its business and operations. In addition, the market segments in which Zappos operates may experience declines in demand and/or new competitors. Integrating and coordinating certain aspects of the operations and personnel of Zappos with Amazon will involve complex operational, technological and personnel-related challenges. This process will be time-consuming and expensive, may disrupt the business of either or both of the companies and may not result in the full benefits expected by Amazon. The potential difficulties, and resulting costs and delays, include:

issues in integrating websites, fulfillment centers, financial reporting systems and other information technology systems;

difficulties attracting and retaining key personnel;

loss of customers and vendors and inability to attract new customers and vendors; and

incompatibility of purchasing, logistics, marketing, administration and other methods.

Directors and Officers of Zappos May Have Conflicts of Interest That May Influence Them to Support or Approve the Merger

Although the Zappos Board recommended to Zappos shareholders that they approve the Merger and adopt and approve the Merger Agreement and the transactions contemplated thereby, Zappos shareholders should be aware that certain members of the Zappos Board and executive officers of Zappos have interests in the transactions contemplated by the Merger Agreement that may be different from, or are in addition to, the general interests of Zappos shareholders, as described in Proposed Merger Interests of Certain Persons in the Merger on page 47. Zappos shareholders should consider whether these interests may have influenced these directors and executive officers to support or recommend the Merger.

The Rights of Zappos Shareholders Who Become Amazon Shareholders in the Merger Will Be Governed By Delaware Law and By Amazon's Restated Certificate of Incorporation and Amended and Restated Bylaws

Zappos shareholders who receive shares of Amazon common stock in the Merger will become Amazon shareholders. Amazon currently is a corporation formed under the laws of Delaware. As a result, Zappos shareholders who become shareholders in Amazon will be governed by the Delaware General Corporation Law and Amazon's Restated Certificate of Incorporation (Amazon's Certificate of Incorporation) and Amazon Amended and Restated Bylaws (Amazon's Bylaws), rather than being governed by the California General Corporation Law and the Zappos Seventh Amended and Restated Articles of Incorporation (Zappos Articles of Incorporation) and Zappos Amended and Restated Bylaws (Zappos Bylaws). There may be material differences between the current rights of Zappos shareholders, as compared to the rights they will have as Amazon shareholders. For more information, see Comparison of Rights of Shareholders beginning on page 73 of this consent solicitation/prospectus.

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Risks Relating to Amazon's Business

If any of the following risks occur, Amazon's business, financial condition, operating results and cash flows could be materially adversely affected. In addition, the current global economic climate amplifies many of these risks.

Amazon Faces Intense Competition

Amazon's businesses are rapidly evolving and intensely competitive, and Amazon has many competitors in different industries, including retail, e-commerce services, digital and web services. Many of its current and potential competitors have greater resources, longer histories, more customers, and greater brand recognition. They may secure better terms from vendors, adopt more aggressive pricing and devote more resources to technology, fulfillment, and marketing.

Competition may intensify as Amazon's competitors enter into business combinations or alliances and established companies in other market segments expand into Amazon's market segments. In addition, new and enhanced technologies, including search, web services and digital, may increase its competition. The Internet facilitates competitive entry and comparison shopping and renders e-commerce inherently more competitive than other retail. Increased competition may reduce Amazon's sales and profits.

Amazon's Expansion Places a Significant Strain on Its Management, Operational, Financial and Other Resources

Amazon is rapidly and significantly expanding its global operations, including increasing its product and service offerings and scaling its infrastructure to support its retail and services businesses. This expansion increases the complexity of Amazon's business and places significant strain on its management, personnel, operations, systems, technical performance, financial resources and internal financial control and reporting functions. Amazon may not be able to manage growth effectively, which could damage its reputation, limit its growth and negatively affect its operating results.

Amazon's Expansion into New Products, Services, Technologies and Geographic Regions Subjects Amazon to Additional Business, Legal, Financial and Competitive Risks

Amazon may have limited or no experience in its newer market segments, and Amazon's customers may not adopt its new product or service offerings, which include seller services, digital, web services and electronic devices. These offerings may present new and difficult technology challenges, and Amazon may be subject to claims if customers of these offerings experience service disruptions or failures or other quality issues. In addition, Amazon's gross profits in its newer activities may be lower than in its older activities, and Amazon may not be successful enough in these newer activities to recoup its investments in them. If any of this were to occur, it could damage Amazon's reputation, limit growth and negatively affect Amazon's operating results.

Amazon May Experience Significant Fluctuations in Its Operating Results and Growth Rate

Amazon may not be able to accurately forecast its growth rate. Amazon bases its expense levels and investment plans on sales estimates. A significant portion of Amazon's expenses and investments is fixed, and Amazon may not be able to adjust its spending quickly enough if its sales are less than expected.

Amazon's revenue growth may not be sustainable, and Amazon's percentage growth rates may decrease. Amazon's revenue and operating profit growth depends on the continued growth of demand for the products and services Amazon or its sellers offer, and its business is affected by general economic and business conditions worldwide. A softening of demand, whether caused by changes in customer preferences or a weakening of the U.S. or global economies, may result in decreased revenue or growth.

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Amazon's net sales and operating results will also fluctuate for many other reasons, including due to risks described elsewhere in this section and the following:

Amazon's ability to retain and increase sales to existing customers, attract new customers and satisfy its customers' demands;

Amazon's ability to retain and expand its network of sellers;

Amazon's ability to acquire merchandise on favorable terms, manage inventory and fulfill orders;

the introduction of competitive websites, products, services, price decreases or improvements;

changes in usage of the Internet and e-commerce, including in non-U.S. markets;

timing, effectiveness, and costs of expansion and upgrades of Amazon's systems and infrastructure;

the success of Amazon's geographic, service and product line expansions;

the outcomes of legal proceedings and claims;

variations in the mix of products and services Amazon sells;

variations in Amazon's level of merchandise and vendor returns;

the extent to which Amazon offers free shipping, continues to reduce product prices worldwide and provides additional benefits to its customers;

the extent to which Amazon invests in technology and content, fulfillment and other expense categories;

increases in the prices of fuel and gasoline, as well as increases in the prices of other energy products and commodities like paper and packing supplies;

the extent to which operators of the networks between Amazon's customers and its websites successfully charge fees to grant customers unimpaired and unconstrained access to Amazon's online services;

Amazon's ability to collect amounts owed to it when they become due;

the extent to which use of Amazon's services is affected by spyware, viruses, phishing and other spam emails, denial of service attacks, data theft, computer intrusions and similar events; and

terrorist attacks and armed hostilities.

Amazon May Not Be Successful in Its Efforts to Expand into International Market Segments

Amazon's international activities are significant to its revenues and profits, and Amazon plans to further expand internationally. Amazon has relatively little experience operating in these or future market segments and may not benefit from any first-to-market advantages or otherwise succeed. It is costly to establish, develop and maintain international operations and websites and promote Amazon's brand internationally. Amazon's international operations may not be profitable on a sustained basis.

In addition to risks described elsewhere in this section, Amazon's international sales and operations are subject to a number of risks, including:

local economic and political conditions;

government regulation of e-commerce or other online services and restrictive governmental actions (such as trade protection measures, including export duties and quotas and custom duties and tariffs), nationalization and restrictions on foreign ownership;

restrictions on sales or distribution of certain products or services and uncertainty regarding liability for products, services and content, including uncertainty as a result of less Internet-friendly legal systems,

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local laws, lack of legal precedent and varying rules, regulations and practices regarding the distribution of media products and enforcement of intellectual property rights;

import, export, or other business licensing requirements;

limitations on the repatriation and investment of funds and foreign currency exchange restrictions;

limited fulfillment and technology infrastructure;

shorter payable and longer receivable cycles and the resultant negative impact on cash flow;

laws and regulations regarding consumer and data protection, privacy, network security, encryption and restrictions on pricing or discounts;

lower levels of use of the Internet;

lower levels of consumer spending and fewer opportunities for growth compared to the U.S.;

lower levels of credit card usage and increased payment risk;

difficulty in staffing, developing and managing foreign operations as a result of distance, language and cultural differences;

different employee/employer relationships and the existence of workers' councils and labor unions;

laws and policies of the U.S. and other jurisdictions affecting trade, foreign investment, loans and taxes; and

geopolitical events, including war and terrorism.

As the international e-commerce channel grows, competition will intensify. Local companies may have a substantial competitive advantage because of their greater understanding of, and focus on, the local customer, as well as their more established local brand names. Amazon may not be able to hire, train, retain and manage required personnel, which may limit Amazon's international growth.

In 2004, Amazon acquired Joyo.com Limited, which is organized under the laws of the British Virgin Islands and through a People's Republic of China (PRC) entity, provides technology and services for the Joyo Amazon websites. The PRC regulates Joyo Amazon's business through regulations and license requirements restricting (i) foreign investment in the Internet, retail and delivery sectors, (ii) Internet content and (iii) the sale of media and other products. In order to meet local ownership and regulatory licensing requirements, Joyo Amazon's business is operated by PRC companies owned by nominee shareholders who are PRC nationals. Although Amazon believes Joyo Amazon's structure complies with existing PRC laws, it involves unique risks. There are substantial uncertainties regarding the interpretation of PRC laws and regulations, and it is possible that the PRC government will ultimately take a view contrary to Amazon's. If Joyo Amazon (including its subsidiary and affiliates) were found to be in violation of any existing or future PRC laws or regulations or if interpretations of those laws and regulations were to change, the business could be subject to fines and other financial penalties, have its licenses revoked or be forced to shut down entirely. In addition, if Joyo Amazon were unable to enforce its contractual relationships with respect to management and control of its business, it might be unable to

continue to operate the business.

If Amazon Does Not Successfully Optimize and Operate Its Fulfillment Centers, Amazon's Business Could Be Harmed

If Amazon does not adequately predict customer demand or otherwise optimize and operate its fulfillment centers successfully, it could result in excess or insufficient inventory or fulfillment capacity, result in increased costs, impairment charges, or both, or harm Amazon's business in other ways. A failure to optimize inventory will increase net shipping cost by requiring long-zone or partial shipments. Orders from several of Amazon's websites are fulfilled primarily from a single location, and Amazon has only a limited ability to reroute orders to

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third parties for drop-shipping. Amazon and its co-sourcers may be unable to adequately staff its fulfillment and customer service centers. As Amazon continues to add fulfillment and warehouse capability or add new businesses with different fulfillment requirements, its fulfillment network becomes increasingly complex and operating it becomes more challenging. If the other businesses on whose behalf Amazon performs inventory fulfillment services deliver product to Amazon's fulfillment centers in excess of forecasts, Amazon may be unable to secure sufficient storage space and may be unable to optimize its fulfillment centers. There can be no assurance that Amazon will be able to operate its network effectively.

Amazon relies on a limited number of shipping companies to deliver inventory to it and completed orders to its customers. If Amazon is not able to negotiate acceptable terms with these companies or they experience performance problems or other difficulties, it could negatively impact Amazon's operating results and customer experience. In addition, Amazon's ability to receive inbound inventory efficiently and ship completed orders to customers also may be negatively affected by inclement weather, fire, flood, power loss, earthquakes, labor disputes, acts of war or terrorism, acts of God and similar factors.

Third parties either drop-ship or otherwise fulfill an increasing portion of Amazon's customers' orders, and Amazon is increasingly reliant on the reliability, quality and future procurement of their services. Under some of its commercial agreements, Amazon maintains the inventory of other companies, thereby increasing the complexity of tracking inventory and operating Amazon's fulfillment centers. Amazon's failure to properly handle such inventory or the inability of these other companies to accurately forecast product demand would result in unexpected costs and other harm to Amazon's business and reputation.

The Seasonality of Amazon's Business Places Increased Strain on Amazon's Operations

Amazon expects a disproportionate amount of its net sales to occur during its fourth quarter. If Amazon does not stock or restock popular products in sufficient amounts such that it fails to meet customer demand, it could significantly affect Amazon's revenue and Amazon's future growth. If Amazon overstocks products, it may be required to take significant inventory markdowns or write-offs, which could reduce gross profits. Amazon may experience an increase in its net shipping cost due to complimentary upgrades, split-shipments and additional long-zone shipments necessary to ensure timely delivery for the holiday season. If too many customers access Amazon's websites within a short period of time due to increased holiday demand, Amazon may experience system interruptions that make its websites unavailable or prevent Amazon from efficiently fulfilling orders, which may reduce the volume of goods Amazon sells and the attractiveness of Amazon's products and services. In addition, Amazon may be unable to adequately staff its fulfillment and customer service centers during these peak periods and delivery and other fulfillment companies and customer service co-sourcers may be unable to meet the seasonal demand. Amazon also faces risks described elsewhere in this Risk Factors section relating to fulfillment center optimization and inventory.

Amazon generally has payment terms with its vendors that extend beyond the amount of time necessary to collect proceeds from its customers. As a result of holiday sales, at December 31 of each year, Amazon's cash, cash equivalents and marketable securities balances typically reach their highest level (other than as a result of cash flows provided by or used in investing and financing activities). This operating cycle results in a corresponding increase in accounts payable at December 31. Amazon's accounts payable balance generally declines during the first three months of the year, resulting in a corresponding decline in its cash, cash equivalents and marketable securities balances.

Amazon's Business Could Suffer if It Is Unsuccessful in Making, Integrating and Maintaining Commercial Agreements, Strategic Alliances and Other Business Relationships

Amazon provides e-commerce services to other businesses, such as through its seller programs, including Webstore by Amazon and Fulfillment by Amazon, as well as through other commercial agreements, strategic alliances and business relationships. Under these agreements, Amazon provides technology, fulfillment and other

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services, as well as enables sellers to offer products or services through Amazon's websites and power their websites. These arrangements are complex and require substantial personnel and resource commitments by Amazon, which may limit the agreements Amazon is able to enter into and Amazon's ability to integrate and deliver services under them. If Amazon fails to implement, maintain and develop the components of these commercial relationships, which may include fulfillment, customer service, inventory management, tax collection, payment processing, licensing of third-party software, hardware and content and engaging third parties to perform hosting and other services, these initiatives may not be viable. The amount of compensation Amazon receives under certain of these agreements is partially dependent on the volume of the other company's sales. Therefore, if the other company's offering is not successful, the compensation Amazon receives may be lower than expected or the agreement may be terminated. Moreover, Amazon may not be able to enter into additional commercial relationships and strategic alliances on favorable terms. Amazon also may be subject to claims from businesses to which it provides these services if it is unsuccessful in implementing, maintaining or developing these services.

As Amazon's agreements terminate, Amazon may be unable to renew or replace these agreements on comparable terms, or at all. Some of Amazon's agreements involve high margin services, such as marketing and promotional agreements, and as they expire they may be replaced, if at all, by agreements involving lower margin services. In the future, Amazon may enter into amendments on less favorable terms or encounter parties that have difficulty meeting their contractual obligations to Amazon, which could adversely affect Amazon's operating results.

Present and future e-commerce services agreements, other commercial agreements and strategic alliances create additional risks such as:

disruption of Amazon's ongoing business, including loss of management focus on existing businesses;

impairment of other relationships;

variability in revenue and income from entering into, amending, or terminating such agreements or relationships; and

difficulty integrating under the commercial agreements.

Amazon's Business Could Suffer if Amazon Is Unsuccessful in Making, Integrating and Maintaining Acquisitions and Investments

Amazon has acquired and invested in a number of companies and it may acquire or invest in or enter into joint ventures with additional companies. These transactions create risks such as:

disruption of Amazon's ongoing business, including loss of management focus on existing businesses;

problems retaining key personnel;

additional operating losses and expenses of the businesses Amazon acquired or in which Amazon invested;

the potential impairment of amounts capitalized as intangible assets and goodwill as part of the acquisition;

the potential impairment of customer and other relationships of the company Amazon acquired or in which Amazon invested or Amazon's own customers as a result of any integration of operations;

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the difficulty of incorporating acquired technology and rights into Amazon's offerings and unanticipated expenses related to such integration;

the difficulty of integrating a new company's accounting, financial reporting, management, information, human resource and other administrative systems to permit effective management, and the lack of control if such integration is delayed or not implemented;

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the difficulty of implementing at acquired companies the controls, procedures and policies appropriate for a larger public company;

potential unknown liabilities associated with a company Amazon acquires or in which Amazon invests; and

for foreign transactions, additional risks related to the integration of operations across different cultures and languages, and the economic, political, and regulatory risks associated with specific countries.

As a result of future acquisitions or mergers, Amazon might need to issue additional equity securities, spend its cash, or incur debt, contingent liabilities or amortization expenses related to intangible assets, any of which could reduce its profitability and harm Amazon's business. In addition, valuations supporting Amazon's acquisitions and strategic investments could change rapidly given the current global economic climate. Amazon could determine that such valuations have experienced impairments or other-than-temporary declines in fair value, which could adversely impact Amazon's financial results.

Amazon Has Foreign Exchange Risk

The results of operations of, and certain of Amazon's intercompany balances associated with, Amazon's international websites are exposed to foreign exchange rate fluctuations. Upon translation, operating results may differ materially from expectations, and Amazon may record significant gains or losses on the remeasurement of intercompany balances. As Amazon has expanded its international operations, its exposure to exchange rate fluctuations has increased.

Amazon also holds cash equivalents and/or marketable securities primarily in Euros, British Pounds and Japanese Yen. If the U.S. Dollar strengthens compared to these currencies, cash equivalents and marketable securities balances, when translated, may be materially less than expected and vice versa.

The Loss of Key Senior Management Personnel Could Negatively Affect Amazon's Business

Amazon depends on its senior management and other key personnel, particularly Jeff Bezos, Amazon's President, CEO and Chairman. Amazon does not have key person life insurance policies. The loss of any of Amazon's executive officers or other key employees could harm Amazon's business.

System Interruption and the Lack of Integration and Redundancy in Amazon's Systems May Affect Amazon's Sales

Customer access to Amazon's websites and the speed with which a customer navigates and makes purchases on its websites affect Amazon's net sales, operating results and the attractiveness of Amazon's products and services. Amazon experiences occasional system interruptions and delays that make its websites unavailable or slow to respond and prevent Amazon from efficiently fulfilling orders or providing services to third parties, which may reduce Amazon's net sales and the attractiveness of its products and services. If Amazon is unable to continually add software and hardware, effectively upgrade its systems and network infrastructure and take other steps to improve the efficiency of its systems, it could cause system interruptions or delays and adversely affect Amazon's operating results.

Amazon's computer and communications systems and operations could be damaged or interrupted by fire, flood, power loss, telecommunications failure, earthquakes, acts of war or terrorism, acts of God, computer viruses, physical or electronic break-ins and similar events or disruptions. Any of these events could cause system interruption, delays, and loss of critical data, and could prevent Amazon from accepting and fulfilling customer orders and providing services, which would make Amazon's product and service offerings less attractive. Amazon's systems are not fully redundant and its disaster recovery planning may not be sufficient. In addition, Amazon may have inadequate insurance coverage to compensate Amazon for any related losses. Any of these events could damage Amazon's reputation and be expensive to remedy.

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Amazon Faces Significant Inventory Risk

In addition to risks described elsewhere in this Risk Factors section relating to fulfillment center and inventory optimization by Amazon and third parties, Amazon is exposed to significant inventory risks that may adversely affect its operating results as a result of seasonality, new product launches, rapid changes in product cycles, changes in consumer demand and consumer spending patterns, changes in consumer tastes with respect to Amazon's products and other factors. Amazon endeavors to accurately predict these trends and avoid overstocking or understocking products Amazon manufactures and/or sells. Demand for products, however, can change significantly between the time inventory or components are ordered and the date of sale. In addition, when Amazon begins selling or manufacturing a new product, it may be difficult to establish vendor relationships, determine appropriate product or component selection and accurately forecast demand. The acquisition of certain types of inventory or components may require significant lead-time and prepayment and they may not be returnable. Amazon carries a broad selection and significant inventory levels of certain products, such as consumer electronics, and Amazon may be unable to sell products in sufficient quantities or during the relevant selling seasons. Any one of the inventory risk factors set forth above may adversely affect Amazon's operating results.

Amazon May Not Be Able to Adequately Protect Amazon's Intellectual Property Rights or May Be Accused of Infringing Intellectual Property Rights of Third Parties

Amazon regards its trademarks, service marks, copyrights, patents, trade dress, trade secrets, proprietary technology and similar intellectual property as critical to Amazon's success, and Amazon relies on trademark, copyright, and patent law, trade secret protection and confidentiality and/or license agreements with its employees, customers and others to protect its proprietary rights. Effective intellectual property protection may not be available in every country in which Amazon's products and services are made available. Amazon also may not be able to acquire or maintain appropriate domain names in all countries in which it does business. Furthermore, regulations governing domain names may not protect Amazon's trademarks and similar proprietary rights. Amazon may be unable to prevent third parties from acquiring domain names that are similar to, infringe upon, or diminish the value of Amazon's trademarks and other proprietary rights.

Amazon may not be able to discover or determine the extent of any unauthorized use of its proprietary rights. Third parties that license Amazon's proprietary rights also may take actions that diminish the value of its proprietary rights or reputation. The protection of Amazon's intellectual property may require the expenditure of significant financial and managerial resources. Moreover, the steps Amazon takes to protect its intellectual property may not adequately protect its rights or prevent third parties from infringing or misappropriating its proprietary rights. Amazon also cannot be certain that others will not independently develop or otherwise acquire equivalent or superior technology or other intellectual property rights.

Other parties also may claim that Amazon infringes their proprietary rights. Amazon has been subject to, and expects to continue to be subject to, claims and legal proceedings regarding alleged infringement by Amazon of the intellectual property rights of third parties. Such claims, whether or not meritorious, may result in the expenditure of significant financial and managerial resources, injunctions against Amazon or the payment of damages. Amazon may need to obtain licenses from third parties who allege that it has infringed their rights, but such licenses may not be available on terms acceptable to Amazon or at all. In addition, Amazon may not be able to obtain or utilize on terms that are favorable to Amazon, or at all, licenses or other rights with respect to intellectual property Amazon does not own in providing e-commerce services to other businesses and individuals under commercial agreements. These risks have been amplified by the increase in third parties whose sole or primary business is to assert such claims.

Amazon's digital content offerings depend in part on effective digital rights management technology to control access to digital content. If the digital rights management technology that Amazon uses is compromised or otherwise malfunctions, Amazon could be subject to claims, and content providers may be unwilling to include their content in Amazon's service.

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Amazon Has a Rapidly Evolving Business Model and Its Stock Price Is Highly Volatile

Amazon has a rapidly evolving business model. The trading price of Amazon's common stock fluctuates significantly in response to, among other risks, the risks described elsewhere in this Risk Factors section, as well as:

changes in interest rates;

conditions or trends in the Internet and the e-commerce industry;

quarterly variations in operating results;

fluctuations in the stock market in general and market prices for Internet-related companies in particular;

changes in financial estimates by Amazon or securities analysts and recommendations by securities analysts;

changes in Amazon's capital structure, including issuance of additional debt or equity to the public;

changes in the valuation methodology of, or performance by, other e-commerce companies; and

transactions in Amazon's common stock by major investors and certain analyst reports, news, and speculation.

Volatility in Amazon's stock price could adversely affect Amazon's business and financing opportunities and force Amazon to increase cash compensation to its employees or grant larger stock awards than Amazon has historically, which could hurt Amazon's operating results or reduce the percentage ownership of Amazon's existing shareholders, or both.

Government Regulation of the Internet and E-commerce Is Evolving and Unfavorable Changes Could Harm Amazon's Business

Amazon is subject to general business regulations and laws, as well as regulations and laws specifically governing the Internet and e-commerce. Existing and future laws and regulations may impede the growth of the Internet or online services. These regulations and laws may cover taxation, privacy, data protection, pricing, content, copyrights, distribution, mobile communications, electronic contracts and other communications, consumer protection, the provision of online payment services, unencumbered Internet access to Amazon's services, the design and operation of websites, and the characteristics and quality of products and services. It is not clear how existing laws governing issues such as property ownership, libel, and personal privacy apply to the Internet and e-commerce. Jurisdictions may regulate consumer-to-consumer online businesses, including certain aspects of Amazon's seller programs. Unfavorable regulations and laws could diminish the demand for Amazon's products and services and increase Amazon's cost of doing business.

Taxation Risks Could Subject Amazon to Liability for Past Sales and Cause Amazon's Future Sales to Decrease

Amazon does not collect sales or other taxes on shipments of most of its goods into most states in the U.S. Under some of Amazon's commercial agreements, the other company is the seller of record, and Amazon is obligated to collect sales tax in accordance with that company's instructions. Amazon may enter into additional agreements requiring similar tax collection obligations. Amazon's fulfillment center and customer service center networks, and any future expansion of them, along with other aspects of Amazon's evolving business, may result in additional sales and other tax obligations.

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Currently, U.S. Supreme Court decisions restrict the imposition of obligations to collect state and local sales and use taxes with respect to sales made over the Internet. However, a number of states, as well as the U.S. Congress, have been considering or adopted initiatives that could limit or supersede the Supreme Court's position

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regarding sales and use taxes on Internet sales. If these initiatives are successful, Amazon could be required to collect sales and use taxes in additional states. The imposition by state and local governments of various taxes upon Internet commerce could create administrative burdens for Amazon, put Amazon at a competitive disadvantage if they do not impose similar obligations on all of Amazon's online competitors and decrease Amazon's future sales.

Amazon collects consumption tax (including value added tax, goods and services tax, and provincial sales tax) as applicable on goods and services sold by Amazon that are ordered on Amazon's international sites. Additional foreign countries may seek to impose sales or other tax collection obligations on Amazon.

A successful assertion by one or more states or foreign countries that Amazon should collect sales or other taxes on the sale of merchandise or services could result in substantial tax liabilities for past sales, decrease Amazon's ability to compete with traditional retailers, and otherwise harm Amazon's business.

Amazon Could be Subject to Additional Income Tax Liabilities

Amazon is subject to income taxes in the United States and numerous foreign jurisdictions. Significant judgment is required in evaluating Amazon's worldwide provision for income taxes. During the ordinary course of business, there are many transactions for which the ultimate tax determination is uncertain. For example, Amazon's effective tax rates could be adversely affected by earnings being lower than anticipated in countries where Amazon has lower statutory rates and higher than anticipated in countries where Amazon has higher statutory rates, by changes in the valuation of Amazon's deferred tax assets and liabilities, or by changes in the relevant tax, accounting and other laws, regulations, principles and interpretations. Amazon is subject to audit in various jurisdictions, and such jurisdictions may assess additional income tax against Amazon. Although Amazon believes its tax estimates are reasonable, the final determination of tax audits and any related litigation could be materially different from Amazon's historical income tax provisions and accruals. The results of an audit or litigation could have a material effect on Amazon's operating results or cash flows in the period or periods for which that determination is made.

Amazon's Vendor Relationships Subject It to a Number of Risks

Amazon has significant vendors that are important to its sourcing, manufacturing and any related ongoing servicing of merchandise and content. Amazon does not have long-term arrangements with most of its vendors to guarantee availability of merchandise, content, components or services, particular payment terms or the extension of credit limits. If Amazon's current vendors were to stop selling merchandise, content, components or services to it on acceptable terms, including as a result of one or more vendor bankruptcies due to poor economic conditions, Amazon may be unable to procure from other vendors in a timely and efficient manner and on acceptable terms, or at all.

Amazon May Be Subject to Product Liability Claims if People or Property Are Harmed by the Products Amazon Sells

Some of the products Amazon sells or manufactures may expose it to product liability claims relating to personal injury, death, or environmental or property damage, and may require product recalls or other actions. Certain third parties also sell products using Amazon's e-commerce platform that may increase Amazon's exposure to product liability claims, such as if these sellers do not have sufficient protection from such claims. Although Amazon maintains liability insurance, Amazon cannot be certain that its coverage will be adequate for liabilities actually incurred or that insurance will continue to be available to it on economically reasonable terms, or at all. In addition, some of Amazon's agreements with its vendors and sellers do not indemnify it from product liability.

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Amazon Is Subject to Payments-Related Risks

Amazon accepts payments using a variety of methods, including credit card, debit card, credit accounts (including promotional financing), gift certificates, direct debit from a customer's bank account, consumer invoicing, physical bank check and payment upon delivery. As Amazon offers new payment options to its customers, it may be subject to additional regulations, compliance requirements and fraud. For certain payment methods, including credit and debit cards, Amazon pays interchange and other fees, which may increase over time and raise Amazon's operating costs and lower its profit margins. Amazon relies on third parties to provide payment processing services, including the processing of credit cards, debit cards, electronic checks and promotional financing, and it could disrupt Amazon's business if these companies become unwilling or unable to provide these services. Amazon is also subject to payment card association operating rules, certification requirements and rules governing electronic funds transfers, which could change or be reinterpreted to make it difficult or impossible for Amazon to comply. If Amazon fails to comply with these rules or requirements, it may be subject to fines and higher transaction fees and lose its ability to accept credit and debit card payments from its customers, process electronic funds transfers, or facilitate other types of online payments, and Amazon's business and operating results could be adversely affected. Amazon also offers co-branded credit card programs that represent a significant component of its services revenue and generate high margins. If one or more of these agreements are terminated and Amazon is unable to replace them on similar terms, or at all, it could adversely affect Amazon's operating results.

In addition, Amazon qualifies as a money services business in certain jurisdictions because Amazon enables customers to keep account balances with it and transfer money to third parties, and because Amazon provides services to third parties to facilitate payments on their behalf. In these jurisdictions, Amazon may be subject to requirements for licensing, regulatory inspection, bonding, the handling of transferred funds and consumer disclosures. Amazon is also subject to or voluntarily complies with a number of other laws and regulations relating to money laundering, international money transfers, privacy and information security and electronic fund transfers. If Amazon were found to be in violation of applicable laws or regulations, Amazon could be subject to civil and criminal penalties or forced to cease its payments services business.

Amazon Could Be Liable for Breaches of Security on Its Websites

Although Amazon has developed systems and processes that are designed to protect consumer information and prevent fraudulent payment transactions and other security breaches, failure to prevent or mitigate such fraud or breaches may adversely affect Amazon's operating results.

Amazon Could Be Liable for Fraudulent or Unlawful Activities of Sellers

The law relating to the liability of providers of online payment services is currently unsettled. In addition, governmental agencies could require changes in the way this business is conducted. Under Amazon's seller programs, Amazon may be unable to prevent sellers from collecting payments, fraudulently or otherwise, when buyers never receive the products they ordered or when the products received are materially different from the sellers' descriptions. Under Amazon's A2Z Guarantee, Amazon reimburses buyers for payments up to certain limits in these situations, and as Amazon's marketplace seller sales grow, the cost of this program will increase and could negatively affect Amazon's operating results. Amazon also may be unable to prevent sellers on its sites or through other seller sites from selling unlawful goods, from selling goods in an unlawful manner, or violating the proprietary rights of others, and could face civil or criminal liability for unlawful activities by its sellers.

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SOLICITATION OF WRITTEN CONSENTS

Consents

The Zappos Board is providing these consent solicitation materials. Zappos shareholders are being asked to execute and deliver the written consent furnished with this consent solicitation/prospectus to approve the Merger and adopt and approve the Merger Agreement and the transactions contemplated thereby, including the agreement of merger to be filed with the California Secretary of State referenced in the Merger Agreement. In addition, holders of Zappos Series A, Series B, Series C and Series D preferred stock are being asked to approve of the conversion of all of the shares of such series of Zappos preferred stock that they own into shares of Zappos common stock, contingent upon adoption and approval of the Merger Agreement and effective immediately before consummation of the Merger, by executing and delivering the applicable written consent furnished with this consent solicitation/prospectus.

Shares Entitled to Consent and Consent Required

Only Zappos shareholders of record at the close of business on September 25, 2009 will be notified of and be entitled to execute and deliver a written consent. On the Record Date, the outstanding securities of Zappos eligible to consent with respect to the proposals consist of 21,469,674 shares of Zappos common stock and an aggregate of 23,747,180 shares of all series of Zappos preferred stock, including an aggregate of 16,728,204 shares of Zappos Series A, Series B, Series C and Series D preferred stock and an aggregate of 7,018,976 shares of Zappos Series E and Series F preferred stock.

Under Zappos Articles of Incorporation, each holder of Zappos common stock is entitled to one vote for each share of common stock held of record and each holder of Zappos preferred stock is entitled to one vote for each share of common stock into which such share of preferred stock held of record is convertible.

Approval of the Merger and adoption and approval of the Merger Agreement and the transactions contemplated thereby requires: (i) the approval of a majority of the outstanding shares of Zappos common stock; (ii) the approval of a majority of the voting power of the outstanding shares of Zappos preferred stock; and (iii) the approval of a majority of the voting power of the outstanding shares of Zappos Series E and Series F preferred stock, tabulated together as a single class. In addition, Amazon is not required to complete the Merger unless holders of not more than 15% of the total shares of Zappos common stock and Zappos preferred stock collectively are, or have the ability to become, dissenting shares, pursuant to the California General Corporation Law, meaning that holders of shares representing at least 85% of the shares of Zappos common stock and preferred stock collectively outstanding immediately prior to the effective time of the Merger have adopted and approved the Merger Agreement or otherwise allowed their dissenters' rights to lapse under California law or did not have dissenters' rights because such shares were not issued and outstanding as of the Record Date.

Approval of the conversion of all of the shares of each of the Zappos Series A, Series B, Series C and Series D preferred stock requires the consent of more than fifty percent of the outstanding shares of each such series of preferred stock. The conversion of any series of preferred stock is not contingent upon the approval by holders of any other series of the conversion of such other series.

Submission of Consents

You may consent to the proposals with respect to your shares by completing and signing the written consent furnished with this consent solicitation/prospectus and returning it to Zappos on or before October 26, 2009, the date the Zappos Board has set as the targeted final date for receipt of written consents. Zappos reserves the right to extend the final date for receipt of written consents beyond October 26, 2009 in the event that consents approving the Merger and adopting and approving the Merger Agreement and the transactions contemplated thereby have not been obtained by that date from holders of a sufficient number of shares of Zappos common stock and Zappos preferred stock to satisfy the conditions to the Merger. Any such extension may be made

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without notice to shareholders. Once all conditions to the Merger have been satisfied or waived, the consent solicitation will conclude.

If you hold shares of Zappos common stock or preferred stock as of the Record Date and you wish to give your written consent, you must fill out the enclosed written consent, date and sign it, and promptly return it to Zappos. Once you have completed, dated and signed the written consent, you may deliver it to Zappos by faxing it to Zappos legal counsel, Fenwick & West LLP, Attention: Connie Duong, at (650) 938-5200, by emailing a pdf copy of your written consent to cduong@fenwick.com, or by mailing your written consent to Fenwick & West LLP at Silicon Valley Center, 801 California Ave., Mountain View, CA 94041, Attention: Connie Duong.

Executing Consents; Revocation of Consents

With respect to each proposal for which the shares of Zappos common stock and preferred stock that you hold allow you to give consent, you may execute a written consent to approve each proposal (which is equivalent to a vote for the proposal) or disapprove each proposal (which is equivalent to a vote against the proposal). If you do not return your written consent, it will have the same effect as a vote against the proposals. If you are a record holder and you return a signed written consent without indicating your decision on a proposal, you will have given your consent to approve the Merger and adopt and approve the Merger Agreement and the transactions contemplated thereby and approve the conversion of all of the shares of the series of Zappos Series A, Series B, Series C and Series D preferred stock that you own, if any, into shares of Zappos common stock, contingent upon adoption and approval of the Merger Agreement and effective immediately before consummation of the Merger.

Your consent to a proposal may be changed or revoked at any time before the consents of a sufficient number of shares to approve and adopt such proposal have been filed with the Secretary of Zappos. If you wish to change or revoke a previously given consent before that time, you may do so by delivering a notice of revocation to the Secretary of Zappos or by delivering a new written consent with a later date.

Solicitation of Consents; Expenses

The expense of preparing, printing and mailing these consent solicitation materials is being borne by Amazon. Officers and employees of Zappos may solicit consents by telephone and personally, in addition to solicitation by mail. These persons will receive their regular salaries but no special compensation for soliciting consents.

Recommendation of the Zappos Board

The Zappos Board **RECOMMENDS THAT ZAPPOS SHAREHOLDERS APPROVE THE MERGER AND ADOPT AND APPROVE THE MERGER AGREEMENT AND THE TRANSACTIONS CONTEMPLATED THEREBY BY EXECUTING AND DELIVERING THE WRITTEN CONSENT FURNISHED WITH THIS CONSENT SOLICITATION/PROSPECTUS**. The Zappos Board believes the merger consideration to Zappos shareholders is fair, advisable and in the best interests of Zappos and its shareholders. The management of Zappos and the Zappos Board, after careful study and evaluation of the economic, financial, legal and other factors, also believe the Merger could provide Amazon with increased opportunity for profitable expansion of its business, which in turn should benefit Zappos shareholders who become shareholders of Amazon. See Proposed Merger Zappos Reasons for the Merger; Recommendation of the Zappos Board on page 38.

Voting Agreement

Concurrently with the execution of the Merger Agreement, certain shareholders and affiliates of Zappos, who collectively hold (i) a majority of the outstanding shares of Zappos common stock on a fully diluted basis, (ii) a majority of the voting power of the outstanding shares of Zappos preferred stock and (iii) a majority of the

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voting power of the outstanding shares of Series E and Series F preferred stock, entered into a voting agreement with Amazon in which they have agreed to execute and return consents with respect to their shares of Zappos capital stock and options and warrants exercised prior to the Record Date approving the Merger and adopting and approving the Merger Agreement and the transactions contemplated thereby. The parties to the voting agreement are Anthony Hsieh, Alfred Lin, and investment funds controlled by Mr. Hsieh and Mr. Lin, Fred Mossler, Ann Mather (a Zappos director), Michael Marks (a Zappos director), and an investment fund with which Mr. Marks is affiliated, the Sequoia Capital funds, Morgan Stanley Principal Investments, Inc., Nicholas Swinmurn (Zappos founder), and two of Mr. Swinmurn's immediate family members. The voting agreement provides for a sufficient number of consents to be executed and delivered to approve the Merger and adopt and approve the Merger Agreement and the transactions contemplated thereby. See Principal Shareholders of Zappos on page 70. Therefore, under the voting agreement, Zappos expects to receive a number of consents sufficient to satisfy the majority approval requirement under the Merger Agreement.

In addition, Amazon is not required to complete the Merger unless holders of not more than 15% of the total shares of Zappos common stock and Zappos preferred stock collectively are, or have the ability to become, dissenting shares, pursuant to the California General Corporation Law, meaning that holders of shares representing at least 85% of the shares of Zappos common stock and preferred stock collectively outstanding have approved the Merger and adopted and approved the Merger Agreement and the transactions contemplated thereby or otherwise allowed their dissenters' rights to lapse under California law or did not have dissenters' rights because such shares were not issued and outstanding as of the Record Date. The shares held by parties to the voting agreement also represent approximately 77% of the shares of common and preferred stock collectively outstanding as of the Record Date. Therefore, unless waived by Amazon, the 85% approval condition described above can only be satisfied if in addition to holders that are bound by the voting agreement holders of 3,414,621 shares of Zappos common stock and preferred stock, representing approximately 8% of all outstanding shares of Zappos common stock and preferred stock, return consents approving the Merger and adopting and approving the Merger Agreement and the transactions contemplated thereby.

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PROPOSED MERGER

Background of the Merger

Over the past several years, Amazon from time to time contacted Zappos concerning potential business combinations or strategic or commercial relationships between Amazon and Zappos, including a meeting in Las Vegas, Nevada on August 18, 2005 with Jeff Bezos, Amazon's Chief Executive Officer, Jeff Blackburn, Amazon's Vice President of Business Development at that time, Russ Grandinetti, Amazon's Vice President of Apparel and Sporting Goods at that time, Mr. Hsieh, Mr. Lin, who was also Managing Member of Venture Frogs, LLC at that time, and Michael Moritz, a Zappos Board member and a General Partner of Sequoia Capital, Zappos' largest outside shareholder. However, these discussions did not lead to negotiations or a definitive agreement.

On March 3, 2008, Peter Krawiec, Amazon's Vice President of Corporate Development, was introduced to Mr. Lin, who had since become Zappos' Chairman, Chief Operating Officer and Chief Financial Officer, at a dinner function in Scottsdale, Arizona and they briefly discussed whether Zappos would consider a business combination or strategic partnership with Amazon.

On December 1, 2008, Mr. Blackburn, who had since become Amazon's Senior Vice President of Business and Corporate Development, and Mr. Krawiec met Mr. Lin in Las Vegas, Nevada, to discuss opportunities for the companies to work together, and the parties agreed to continue their discussion in the first quarter of 2009.

On February 3, 2009, representatives of Morgan Stanley & Co. Incorporated (Morgan Stanley), met with Mr. Blackburn and Mr. Krawiec to discuss the environment for mergers and acquisitions among technology companies and Amazon's strategic priorities. Among other topics, Amazon indicated its interest in evaluating a possible business combination or strategic relationship with Zappos, as Amazon was contemplating various initiatives in the footwear and apparel categories.

During the month of February 2009, representatives of Morgan Stanley held a number of meetings and conference calls jointly and individually with Mr. Lin and Mr. Moritz to discuss various benefits of a possible business combination or strategic relationship with Zappos and Amazon.

On February 23, 2009, Mr. Moritz called Mr. Blackburn and Mr. Krawiec to discuss a potential business combination of Amazon and Zappos and Mr. Moritz's history of working with the Zappos management team.

In early March 2009, representatives of Morgan Stanley and Mr. Lin had several meetings to discuss Zappos' business performance, financial and operating metrics and growth trends, the current economic environment in the capital markets and the technology mergers and acquisitions market and a variety of strategic alternatives.

On March 19, 2009, Amazon and Zappos executed a non-disclosure agreement to facilitate Amazon's due diligence review in connection with a possible business combination with Amazon and Zappos, and the parties began to exchange non-public information on a confidential basis.

On March 31, 2009, Mr. Lin and representatives of Morgan Stanley held a conference call to discuss some of Zappos' longer term strategic goals.

In early April 2009, Amazon had a number of conference calls with representatives of Zappos and Morgan Stanley to conduct a financial review of Zappos.

On April 3, 2009, representatives of Morgan Stanley, Mr. Hsieh, Mr. Lin and Mr. Moritz had a call to discuss Zappos' recent financial performance and eCommerce trends.

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On April 8, 2009, Zappos formally engaged Morgan Stanley as financial advisor in connection with a possible business combination or strategic relationship.

On April 14, 2009, a representative from Lazard Freres & Co. (Lazard) met with Mr. Blackburn and Mr. Krawiec at Amazon s headquarters in Seattle, Washington, to discuss, among other things, a possible business combination or strategic relationship involving Zappos.

On April 15, 2009, Mr. Blackburn and Mr. Krawiec, along with Dan Jedda, Amazon s Director of Business Development Finance, met with Mr. Lin and representatives of Morgan Stanley in Menlo Park, California, to discuss a possible business combination of Amazon and Zappos. In addition, Mr. Lin and representatives of Morgan Stanley presented a review of certain long term financial projections of Zappos and its strategic vision.

On April 16, 2009, the Zappos Board met in Menlo Park, California and discussed, among other things, a possible business combination with Amazon and Zappos.

On April 22, 2009, representatives of Morgan Stanley, Mr. Hsieh and Mr. Lin had a conference call to discuss the merits of a possible business combination and possible next steps to continue discussions with Amazon.

On April 30, 2009, Mr. Bezos, Jeff Wilke, Amazon s Senior Vice President of North American Retail, Tom Szkutak, Amazon s Senior Vice President and Chief Financial Officer, and Mr. Krawiec met with Mr. Hsieh, Fred Mossler, a merchandizing executive of Zappos who has the formal title of No Title , and Mr. Lin at Amazon s headquarters in Seattle, Washington. During the meeting, the parties discussed Zappos history, goals, vision and culture and a possible business combination.

During May 2009, representatives of Zappos and Morgan Stanley and representatives of Amazon and Lazard discussed the feasibility and possible terms of a business combination, including discussions, as explained in more detail below, regarding the form and amount of consideration. Zappos also provided additional diligence materials.

On May 4, 2009, Mr. Krawiec and Mr. Lin had a telephone call in which Mr. Krawiec proposed possible terms of an all-cash acquisition of Zappos by Amazon for \$750 million, which would be reduced for net debt, and Mr. Lin inquired whether Amazon would consider an all-stock transaction.

On May 5, 2009, a representative from Morgan Stanley met with Mr. Moritz to provide an update on the capital markets and the market for initial public offerings, as well as an update on the discussions between Amazon and Zappos.

On May 13, 2009, Amazon engaged Lazard as a financial advisor in connection with a possible transaction with Zappos.

On May 22, 2009, Mr. Lin met with Morgan Stanley to discuss valuation perspectives regarding Amazon s proposed transaction terms and other strategic alternatives and scenarios, including debt financing, private equity financing and an initial public offering.

Throughout this time period the Zappos Board considered other strategic alternatives, including debt financing, private equity financing and a current or future public offering. Given the depressed and volatile state of the private and public debt and equity markets at the time, the continued uncertainty regarding the capital markets environment, the potential implied valuations, other potential terms and conditions of a private or public financing and the uncertainty and risks surrounding any potential financing events, the Board concluded that the valuation, likely other transaction terms and conditions, possible synergies and higher degree of deal certainty were significantly more attractive with a possible business combination with Amazon than the other alternatives considered.

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On May 22, 2009, a representative from Morgan Stanley called Mr. Krawiec and described a counter-proposal from Zappos involving an all-stock acquisition of Zappos for 0.23 shares of Amazon.com common stock for each share of Zappos stock. According to Morgan Stanley, this exchange ratio represented an implied equity value of approximately \$915 million, prior to adjustment for net debt.

On May 27, 2009, Mr. Blackburn and Mr. Krawiec called Mr. Moritz and discussed the all-stock counter-proposal further.

On May 28, 2009, Amazon's management made a presentation to the Amazon Board of Directors (the Amazon Board) relating to a possible business combination with Zappos and discussed preliminary terms and valuation ranges reflected by the Amazon proposal and Zappos counter-proposal described above; possible synergies, such as creating additional value for both companies' customers by coordinating activities or leveraging skills in areas such as technology and fulfillment; and other benefits, including Zappos' strong presence in strategically important segments, its strong brand and loyal customer base and its customer-obsessed culture.

On June 1, 2009, Mr. Lin met with Mr. Krawiec in Las Vegas, Nevada, to discuss terms relating to a possible business combination in which the consideration would be Amazon common stock. Mr. Krawiec delivered a letter regarding exclusivity between the parties and also non-binding discussion points relating to a proposed merger (the Exclusivity Letter), which included a proposed all-stock acquisition for a total consideration of \$830 million, which would be reduced for net debt as of March 31, 2009 of \$52 million and for transaction costs, plus an additional \$30 million in Zappos employee retention incentives from Amazon. Mr. Krawiec also delivered a letter from Mr. Bezos addressed to Mr. Hsieh, discussing Amazon's interest in pursuing a merger with Zappos.

On June 2, 2009 the Zappos Board discussed Amazon's June 1, 2009 proposal.

Between June 1 and June 8, 2009, Mr. Krawiec and Mr. Lin, along with representatives from Amazon, Zappos, Gibson, Dunn & Crutcher LLP, Amazon's outside legal counsel (Gibson Dunn), Fenwick & West LLP, Zappos' outside legal counsel (Fenwick & West), Morgan Stanley and Lazard negotiated the Exclusivity Letter and proposed terms of a merger. Amazon and Zappos signed the Exclusivity Letter on June 8 and June 9, 2009, respectively, which provided for an all-stock acquisition of Zappos for a purchase price of \$838 million, which would be reduced for net debt as of March 31, 2009 of \$52 million and for transaction costs and be increased by up to \$35 million in exercise proceeds from certain Zappos stock purchase rights, plus an additional \$40 million in Zappos employee retention incentives from Amazon.

From mid-June through July 2009, representatives of Amazon, Lazard, Gibson Dunn and PricewaterhouseCoopers LLP, Amazon's tax advisors, conducted business, operational, financial, legal, accounting and tax due diligence of Zappos and held numerous discussions with representative of Zappos, Morgan Stanley, Fenwick & West and PricewaterhouseCoopers LLP, Zappos' auditors and tax advisors. During this time period, representatives of Amazon, Zappos, Gibson Dunn and Fenwick & West also exchanged drafts of and discussed proposed terms of the Merger Agreement, voting agreement and ancillary documents.

On June 17, 2009, representatives of Amazon, Lazard and Morgan Stanley attended management presentations by representatives of Zappos at the offices of Zappos in Henderson, Nevada which included a summary of Zappos' business strategy, historical and projected financial performance, technology, customer service, fulfillment operations, customer acquisition methods, marketing, merchandising, buying, culture, recruiting, human resource function, and future plans, as well as follow-up questions relating to Amazon's due diligence process.

On June 24, 2009 and June 25, 2009, representatives of Amazon, Zappos and Morgan Stanley attended fulfillment center operations and fulfillment technology due diligence meetings in Shepherdsville, Kentucky.

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On June 29 and 30, 2009, representatives of Amazon, Zappos, Gibson Dunn, Fenwick & West, Lazard and Morgan Stanley met in San Francisco, California to further discuss the proposed terms of the Merger Agreement.

On June 30, July 1 and July 2, 2009, representatives of Amazon, Lazard and Morgan Stanley attended management presentations by Zappos on the topics presented on June 17 and Zappos management answered follow-up questions relating to the June 17, 24 and 25 management presentations and Amazon's due diligence process.

On July 10, 2009, Mr. Bezos, Mr. Krawiec, Mr. Hsieh, Mr. Lin, and Mr. Mossler met in Las Vegas, Nevada, to discuss the proposed Merger and future opportunities for Zappos following the Merger, as well as ideas, messaging and plans for communications to customers, employees, partners and investors.

On July 17, 2009, the Amazon Board discussed, among other things, the merits of the Merger, the results of due diligence performed on Zappos, the advice from its legal and financial advisors and the terms of the Merger Agreement, and unanimously adopted resolutions approving and declaring advisable the Merger, the Merger Agreement and the transactions contemplated thereby.

On July 20, 2009, the Zappos Board discussed, among other things, the merits of the Merger, reviewed a draft of Morgan Stanley's preliminary financial analysis of the transaction and discussed the analysis with representatives of Morgan Stanley. At the meeting, Morgan Stanley informed the Zappos Board that, subject to completion of due diligence by Zappos and absent any material changes to the terms of the transaction, Morgan Stanley expected to be able to deliver its opinion upon the request of the Zappos Board that, as of the date of such opinion and based upon and subject to the assumptions, qualifications and limitations set forth in a written opinion letter, the consideration to be received by the holders of shares of Zappos stock pursuant to the Merger Agreement was fair from a financial point of view to such holders, taken as a whole, and Morgan Stanley reviewed with the Zappos Board its current draft of the opinion letter. The Zappos Board then unanimously adopted resolutions approving and declaring advisable the Merger, the Merger Agreement and the transactions contemplated thereby and recommending to the shareholders of Zappos that they consent to the Merger Agreement and the Merger, subject to the due diligence conference call on July 22, 2009 with representatives from Amazon to review Amazon's second quarter financial results and third quarter 2009 financial prospects and to the delivery of Morgan Stanley's opinion upon the request of Mr. Lin, in his capacity as Chairman of the Zappos Board.

On the morning of July 22, 2009, Mr. Szkutak, Mr. Krawiec and Michael Deal, Amazon's Vice President and Associate General Counsel, previewed for Mr. Lin and representatives from Fenwick & West, Morgan Stanley and Lazard the second quarter 2009 financial results and third quarter 2009 financial prospects of Amazon, which Amazon publicly disclosed in connection with its second quarter earnings announcement on July 23, 2009. Later that morning, Mr. Hsieh, Mr. Lin and representatives of Morgan Stanley and Fenwick & West discussed the findings of the call they had held with Mr. Szkutak, Mr. Krawiec and Mr. Deal.

Also on July 22, 2009, at the request of Mr. Lin, Morgan Stanley rendered its oral opinion, subsequently confirmed by delivery of its written opinion to the Zappos Board as of the same date, to the effect that, as of the date thereof, based upon and subject to the assumptions, qualifications and limitations set forth in the written opinion, the consideration to be received by the holders of shares of Zappos stock pursuant to the Merger Agreement was fair from a financial point of view to such holders, taken as a whole.

On the afternoon of July 22, 2009, all of the parties executed the Merger Agreement. Simultaneously with the execution of the Merger Agreement, Anthony Hsieh, Alfred Lin and investment funds controlled by Mr. Hsieh and Mr. Lin, Mr. Mossler, Ann Mather (a Zappos director), Michael Marks (a Zappos director) and an investment fund with which Mr. Marks is affiliated, the Sequoia Capital funds, Morgan Stanley Principal Investments, Inc., and Nicholas Swinmurn (Zappos' founder) and two of Mr. Swinmurn's immediate family members entered into the Voting Agreement with Amazon, obligating them, among other things, to execute and

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return consents approving the Merger and adopting and approving the Merger Agreement and the transactions contemplated thereby.

On the afternoon of July 22, 2009, Amazon announced the execution of the Merger Agreement and the terms of the Merger.

Amazon's Reasons for the Merger

The Merger is expected to enable Amazon to expand and strengthen its presence in softline retail categories, such as shoes and apparel, that are strategically important to Amazon's future business growth. In addition, the Merger will allow Amazon to better cater to consumers' needs by providing diverse customer experiences and price points. In approving the proposed Merger, the Amazon Board considered, among other things:

Zappos' strong presence in strategically important segments;

Zappos' strong brand and large and loyal customer base;

the possibility of creating additional value for customers of both companies by potentially coordinating activities or leveraging skills in areas such as technology and fulfillment; and

Zappos' management team's prior record for success and customer-obsessed culture, and indications from the management team of their willingness to remain with Zappos following the Merger.

Zappos' Reasons for the Merger; Recommendation of the Zappos Board

The Merger is expected to enable Zappos to leverage Amazon's resources, technology, infrastructure and scale to further expand and strengthen Zappos' presence in softline retail categories, such as clothing, shoes, handbags and accessories, which is expected to further accelerate the growth of the Zappos business, brand and culture. In addition, the Merger will allow Zappos to better cater to consumer needs by leveraging various technology and fulfillment infrastructure benefits that Amazon already provides to its customers. In approving the proposed Merger, the Zappos Board considered, among other things:

Amazon's strong brand and large customer base;

Amazon's and Zappos' similar long-term focus and customer-obsessed culture;

the possibility of creating additional value for customers of both companies by potentially coordinating activities or leveraging skills in areas such as technology and fulfillment;

Amazon's management team's prior record for success in their primary businesses as well as business combinations;

Morgan Stanley's written opinion dated as of July 22, 2009, to the effect that, as of such date, based upon and subject to the assumptions, qualifications and limitations set forth in such opinion, the consideration to be received by the holders of shares of Zappos stock pursuant to the Merger Agreement was fair from a financial point of view to such holders, taken as a whole;

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Zappos strategic alternatives compared to the terms and conditions of the Merger Agreement, including the following related factors:

the alternatives available to Zappos if it were not to engage in the business combination with Amazon, including independent pursuit of Zappos business strategy, which involves meaningful risks and uncertainties; none of the alternatives available to Zappos, in the view of the Zappos Board, were as or more favorable to Zappos and its shareholders than the business combination with Amazon;

the expectation that the Merger will be a tax-free reorganization for United States federal income tax purposes;

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the determination that an exchange ratio that is not based on future fluctuations in stock price and not subject to adjustment is appropriate to reflect the strategic nature of the proposed combination and that a fixed exchange ratio fairly captures the respective ownership interests of Zappos shareholders and avoids fluctuations caused by near-term market volatility;

the fact that the shares of Amazon common stock issued to Zappos shareholders will be registered on Form S-4 and will be freely tradeable for Zappos shareholders, except for Mr. Hsieh, Mr. Lin, and Mr. Mossler;

the limited number and nature of the conditions to Amazon's obligation to consummate the Merger and the limited risk of non-satisfaction of such conditions;

the likelihood that the Merger will be consummated on a timely basis, including the likelihood that the Merger will receive all necessary regulatory approvals, along with the risks that the Merger will not receive regulatory approval, not be consummated in a timely manner or consummated at all; and

other potential uncertainties, risks, and potentially negative factors concerning the Merger.

After careful and due consideration, the Zappos Board unanimously concluded that overall, the risks, uncertainties, restrictions and potential negative factors associated with the Merger were outweighed by the potential benefits of the Merger, and that many of the risks could be managed and mitigated prior to the Merger.

Opinion of Zappos Financial Advisor

Zappos retained Morgan Stanley to provide financial advisory services and a financial opinion to the Zappos Board in connection with a potential sale of Zappos. The Zappos Board selected Morgan Stanley to act as its exclusive financial advisor based on Morgan Stanley's qualifications, expertise, reputation and knowledge of Zappos' business and affairs. At the meeting of the Zappos Board on July 20, 2009, Morgan Stanley reviewed a draft of its preliminary financial analysis of the transaction and discussed the analysis with the Zappos Board. At the meeting, Morgan Stanley informed the Zappos Board that, subject to completion of due diligence by Zappos and absent any material changes to the terms of the transaction, Morgan Stanley expected to be able to deliver its opinion upon the request of the Zappos Board that, as of the date of such opinion, and based upon and subject to the assumptions, qualifications and limitations set forth in a written opinion letter, the consideration to be received by the holders of shares of Zappos stock pursuant to the Merger Agreement was fair from a financial point of view to such holders, taken as a whole. On July 22, 2009, at the request of Mr. Lin, in his capacity as Chairman of the Zappos Board, Morgan Stanley delivered such opinion orally, and the opinion was subsequently confirmed by delivery of its written opinion to the Zappos Board as of July 22, 2009.

The full text of Morgan Stanley's written opinion, dated July 22, 2009, is attached as *Appendix C* to this consent solicitation/prospectus. The opinion sets forth, among other things, the assumptions made, procedures followed, matters considered and qualifications and limitations on the scope of review undertaken by Morgan Stanley in rendering its opinion. We encourage you to read the entire opinion carefully. Morgan Stanley's opinion is directed to the Zappos Board and addresses only the fairness from a financial point of view of the consideration to be received by holders of Zappos stock, taken as a whole, pursuant to the Merger Agreement as of the date of the opinion. Morgan Stanley's opinion does not address any other aspect of the Merger and does not constitute a recommendation to any shareholder of Zappos as to how such shareholder should vote or act on any matter with respect to the Merger. In addition, the opinion does not in any matter address the prices at which Amazon common stock will trade following the announcement or consummation of the Merger. The summary of Morgan Stanley's opinion set forth in this consent solicitation/prospectus is qualified in its entirety by reference to the full text of the opinion.

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In connection with rendering its opinion, Morgan Stanley, among other things:

reviewed certain internal financial statements and other financial and operating data concerning Zappos;

reviewed certain financial projections for Zappos prepared by the management of Zappos;

reviewed certain publicly available financial statements and other business and financial information of Amazon, and certain publicly available financial projections for Amazon prepared by research analysts;

discussed the past and current operations and financial condition and the prospects of Zappos, including information relating to certain strategic, financial and operational benefits anticipated from the Merger, with senior executives of Zappos;

discussed the past and current operations and financial condition and the prospects of Amazon, with senior executives of Amazon;

reviewed the reported prices and trading activity for Amazon common stock;

compared the financial performance of Zappos and Amazon and the prices and trading activity of Amazon common stock with that of certain other publicly-traded companies comparable to Zappos and Amazon, respectively;

reviewed the financial terms, to the extent publicly available, of certain comparable acquisition transactions;

participated in discussions and negotiations among representatives of Zappos and Amazon and their financial and legal advisors;

reviewed the Merger Agreement and certain related documents; and

performed such other analyses and considered such other factors as Morgan Stanley deemed appropriate.

In arriving at its opinion, Morgan Stanley assumed and relied upon, without independent verification, the accuracy and completeness of the information that was publicly available or supplied or otherwise made available to Morgan Stanley by Zappos and Amazon and formed a substantial basis for its opinion. With respect to Zappos' financial projections, Morgan Stanley assumed that they had been reasonably prepared on bases reflecting the best available estimates and judgments of the management of Zappos of the future financial performance of Zappos. Morgan Stanley relied upon, without independent verification, the assessment by the managements of Zappos and Amazon of: (i) the timing and risks associated with the integration of Zappos and Amazon; (ii) their ability to retain key employees of Zappos and Amazon, respectively and (iii) the validity of, and risks associated with, Zappos' and Amazon's existing and future technologies, intellectual property, products, services and business models. In addition, Morgan Stanley assumed that the Merger will be consummated in accordance with the terms set forth in the Merger Agreement without any waiver, amendment or delay of any terms or conditions, including, among other things, that the Merger will be treated as a tax-free reorganization and/or exchange, each pursuant to the Code. Morgan Stanley assumed that in connection with the receipt of all the necessary governmental, regulatory or other approvals and consents required for the proposed Merger, no delays, limitations, conditions or restrictions will be imposed that would have a material adverse effect on the contemplated benefits expected to be derived in the proposed Merger. Morgan Stanley is not a legal, tax, or regulatory advisor. Morgan Stanley is a financial advisor only and relied upon, without independent verification, the assessment of Amazon and Zappos and their legal, tax, and regulatory advisors with respect to legal, tax, and regulatory matters. Morgan Stanley expressed no opinion with respect to the fairness of the amount or nature of the compensation to any of

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Zappos officers, directors or employees, or any class of such persons relative to the consideration to be received by the holders of shares of Zappos stock in the transaction. Morgan Stanley also expressed no opinion as to the fairness of the consideration to be received by shareholders in respect of any particular class or series of Zappos stock. Morgan Stanley has not made any independent

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valuation or appraisal of the assets or liabilities of Zappos, nor was it furnished with any such appraisals. Morgan Stanley's opinion is necessarily based on financial, economic, market and other conditions as in effect on, and the information made available to Morgan Stanley as of July 22, 2009. Events occurring after July 22, 2009 may affect Morgan Stanley's opinion and the assumptions used in preparing it, and Morgan Stanley did not assume any obligation to update, revise or reaffirm its opinion.

The following is a brief summary of the material financial analyses performed by Morgan Stanley in connection with its oral opinion and the preparation of its written opinion letter dated July 22, 2009. Some of these summaries include information presented in tabular format. In order to fully understand the financial analyses used by Morgan Stanley, the tables must be read together with the text of each summary. The tables alone do not constitute a complete description of the analyses.

Morgan Stanley noted that pursuant to the Merger, Amazon would issue to Zappos shareholders approximately 9.9 million shares of Amazon common stock on a fully converted basis or approximately 9.6 million shares on a fully diluted basis using the treasury stock method. Morgan Stanley noted that as of July 21, 2009, based upon Amazon's closing stock price of \$89.01 per share, the implied value of Zappos equity pursuant to the Merger Agreement was \$853 million on a fully-diluted basis using the treasury stock method.

In preparing certain of its analyses, Morgan Stanley incorporated projections and sensitivity analysis with respect to the projected future financial performance of Zappos including long term projections prepared by Zappos management. These long term projections are based on revenue growth as well as operational and cash flow improvements associated with both existing and recently introduced product categories, achieving certain management revenue goals by 2014, and certain other financial assumptions relating to the operating and financial performance of Zappos. Morgan Stanley discussed with Zappos management certain sensitivity analysis developed by Zappos management based on the timing of achieving certain management revenue goals and certain other financial assumptions relating to the operational and financial performance of Zappos. The Zappos long term projections and sensitivity analysis are herein referred to as "Zappos projections". Morgan Stanley noted that the range of future financial performance described in this paragraph is based on a range of potential Zappos business, financial and operational outcomes, along with numerous variables and assumptions that are inherently uncertain and may be beyond the control of management, including, without limitation, factors related to general economic, competitive and industry specific conditions and prevailing interest rates. Accordingly, actual results could vary significantly from those set forth in such projections.

Zappos Discounted Initial Public Offering Analysis

Morgan Stanley performed an analysis of the present value of Zappos' future value to Zappos' existing shareholders based on a discounted initial public offering analysis. The discounted initial public offering analysis attempts to provide an implied value for the future fully distributed value of a company's equity to existing shareholders as a function of the company's future earnings before interest, taxes, depreciation and amortization (hereinafter referred to as EBITDA) and an assumed aggregate value, defined as market capitalization plus total debt less cash and cash equivalents, to EBITDA multiple. The resulting implied future value is subsequently discounted and adjusted for 15% IPO dilution to arrive at an implied fully distributed value of the equity owned by existing shareholders, as discounted to account for the present value to existing shareholders. Utilizing Zappos projections, Morgan Stanley estimated a fully distributed initial public offering valuation for Zappos based on:

EBITDA estimates for the calendar year 2011;

illustrative forward multiples of EBITDA ranging from 13x to 19x;

fully distributed implied P/E multiples ranging from 31.2x to 45.1x; and

illustrative discount rates, ranging from 15% to 20%.

Based on these assumptions, Morgan Stanley calculated the present value of Zappos' future equity value to Zappos' existing shareholders in the range of \$650 million to \$905 million.

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Zappos Comparable Company Analysis

Morgan Stanley performed a comparable company analysis, which attempts to provide an implied value of a company by comparing it to similar companies that are publicly traded. Morgan Stanley compared certain financial information of Zappos with publicly available consensus estimates for companies that shared similar business characteristics of Zappos. The companies used in this comparison included the following eCommerce companies:

Amazon.com, Inc.

Blue Nile Inc.

Digital River Inc.

GSI Commerce Inc.

Netflix, Inc.

OpenTable, Inc.

Overstock.com Inc.

VistaPrint Ltd.

For purposes of this analysis, Morgan Stanley analyzed financial metrics and statistics for each of these companies including the following statistics for comparison purposes:

the ratios of aggregate value to estimated EBITDA for calendar years 2009 and 2010 (in each case, based on publicly available consensus estimates); and

the ratios of price to estimated earnings for calendar years 2009 and 2010 (in each case, based on publicly available consensus estimates).

For purposes of estimated calendar years 2009 and 2010 EBITDA and net income for comparable companies, Morgan Stanley utilized consensus estimates available as of July 21, 2009. Based on the analysis of the relevant metrics for each of the comparable companies, Morgan Stanley selected representative ranges of financial multiples of the comparable companies and applied these ranges of multiples to the relevant Zappos financial statistic.

Comparable Company Multiple Range	Zappos Multiple Range	Implied Value Range of Zappos Equity (in millions)
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Aggregate Value / 2009 Estimated EBITDA	11x	81x	15x	22x	\$655	\$990
Aggregate Value / 2010 Estimated EBITDA	10x	42x	12x	18x	\$500	\$1,085
Equity Value / 2009 Estimated Net Income	24x	57x	30x	40x	\$245	\$330
Equity Value / 2010 Estimated Net Income	22x	46x	25x	35x	\$460	\$790

No company utilized in the comparable company analysis is identical to Zappos. In evaluating comparable companies, Morgan Stanley made judgments and assumptions with regard to industry performance, general business, economic, market and financial conditions and other matters, many of which are beyond Zappos' control, such as the impact of competition on Zappos' businesses and the industry generally, industry growth and the absence of any adverse material change in the financial condition and prospects of Zappos or the industry or in the financial markets in general. Mathematical analysis (such as determining the average or median) is not in itself a meaningful method of using peer group data.

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Precedent Transactions Analysis

Morgan Stanley performed a precedent transactions analysis, which is designed to imply a value of a company based on publicly available financial terms and premiums of selected transactions that share some characteristics with the Merger. In connection with its analysis, Morgan Stanley compared publicly available statistics for Internet sector transactions since January 1, 2008 where the equity value of the target was greater than \$250 million. The following is a list of these transactions:

Selected Precedent Transactions (Target/Acquiror)

Gmarket Inc. / eBay Inc.

Bill Me Later, Inc. / eBay Inc.

Greenfied Online Inc. / Microsoft Corporation

Bebo, Inc. / Time Warner Inc.

CNET Networks, Inc. / CBS Corporation

Audible, Inc. / Amazon.com, Inc.

For each transaction noted above, Morgan Stanley noted the following financial statistics where available: (1) the equity value of the transaction; (2) the aggregate value of the transaction; (3) the form of consideration paid; (4) aggregate value to the last twelve months (LTM) EBITDA; (5) aggregate value to the next twelve months (NTM) estimated EBITDA; and (6) the ratio of price of the acquired company's stock to NTM estimated earnings per share. For purposes of estimated NTM EBITDA and earnings per share, Morgan Stanley utilized publicly available estimates.

Based on the analysis of the relevant metrics for each transaction noted above, Morgan Stanley selected representative ranges of implied financial multiples of the transactions and applied these ranges of multiples to the relevant Zappos financial statistic. Based on this analysis, Morgan Stanley applied aggregate value to LTM EBITDA ratios of 15x to 30x, which implied a Zappos equity value range of \$530 million to \$1,120 million; aggregate value to NTM estimated EBITDA ratios of 16x to 21x, which implied a Zappos equity value range of \$700 million to \$1,025 million; and price to NTM estimated earnings per share ratios of 25x to 75x, which implied a Zappos equity value range of \$270 million to \$885 million.

No company or transaction utilized in the precedent transactions analysis is identical to Zappos or the Merger. In evaluating the precedent transactions, Morgan Stanley made judgments and assumptions with regard to general business, market and financial conditions and other matters, which are beyond Zappos' control, such as the impact of competition on Zappos' business or the industry generally, industry growth and the absence of any adverse material change in the financial condition of Zappos or the industry or in the financial markets in general, which could affect the public trading value of the companies and the aggregate value of the transactions to which they are being compared.

Zappos Discounted Cash Flow Analysis

Morgan Stanley calculated a range of equity values for Zappos based on a discounted cash flow analysis using Zappos projections. In arriving at the implied equity value of Zappos, Morgan Stanley calculated a terminal value as of July 1, 2019 by applying a range of perpetual growth rates ranging from 3% to 4% and a range of discount rates ranging from 12.5% to 17.5%. The unlevered free cash flows and the implied terminal value were then discounted to present values using a range of discount rates of 12.5% to 17.5%. Based on the aforementioned projections and sensitivity analysis, the discounted cash flow analysis of Zappos yielded an implied Zappos equity value range of \$1,555 million to \$2,785 million based on the Zappos long term projections, with the lower end point of the range reaching down to \$430 million based on the sensitivity analysis. Morgan Stanley observed that the discounted cash flow analysis was highly variable with respect to the achievement and timing of revenue growth as well as operational and cash flow improvements associated with both existing and recently introduced product categories through 2014 and thereafter.

Table of Contents***Implied Transaction Value to Zappos Shareholders Based on Amazon Wall Street Equity Research Analyst Price Targets***

Morgan Stanley reviewed and analyzed future public market trading range price targets for Amazon common stock prepared and published by equity research analysts. These targets reflect each analyst's estimate of the future public market trading range of Amazon common stock and are not discounted to reflect present values. The range of undiscounted analyst price targets for Amazon common stock was \$60.00 to \$105.00 per share and Morgan Stanley noted that the median undiscounted analyst price target was \$90.00. This price target range yielded an implied valuation range of Amazon common stock shares issued to Zappos of \$575 million to \$1,005 million, assuming the issuance of 9.6 million Amazon shares (on a fully diluted basis using the treasury stock method) pursuant to the Merger. Morgan Stanley also noted that Amazon's closing stock price on July 21, 2009 of \$89.01 and the forty-five trading day average closing price as of July 17, 2009 of \$81.09 at which the exchange ratios were determined as per the Merger Agreement, were both below the median of analyst price targets.

Amazon Historical Share Price and NTM Multiple Analysis

To provide background information and perspective to the trading price of Amazon common stock, Morgan Stanley reviewed Amazon's stock price performance relative to an eCommerce index, an Internet Bellwether Index and the Nasdaq over various periods of time. The following companies comprised the eCommerce index: Blue Nile Inc., Digital River Inc., GSI Commerce Inc., Netflix, Inc., Overstock.com Inc. and VistaPrint Ltd. The following companies comprised the Internet Bellwether index: eBay Inc., Google Inc. and Yahoo! Inc.

The following table summarizes Morgan Stanley's analysis of relative stock price performance, based on closing spot prices:

% Price Change	Amazon	eCommerce	Internet Bellwethers	NASDAQ
Last 30 Days	12.5%	10.5%	15.1%	8.5%
Last 90 Days	12.4%	7.9%	28.1%	16.4%
Last 180 Days	78.2%	115.0%	62.2%	30.8%
Last 12 Months	30.0%	23.0%	(21.3)%	(15.9)%
Last 2 Years	24.3%	(10.0)%	(42.0)%	(28.7)%
Last 3 Years	168.2%	41.7%	(22.7)%	(5.2)%

To provide background information and perspective with respect to the trading prices of Amazon common stock, Morgan Stanley reviewed recent trading multiples and prices of Amazon common stock compared to the NTM earnings per share multiples and aggregate value to NTM EBITDA multiples for Amazon common stock observed over the preceding four year period, as well as implied stock prices using these multiples based on current NTM financial metrics for Amazon. The historical multiples represent the actual multiples derived using the daily closing price of Amazon common stock over the four year period as a multiple of each financial metric, as reflected in the most recent consensus estimates published prior to such closing price date. Morgan Stanley used publicly available information and Amazon consensus research analyst estimates to analyze the corresponding NTM and trading statistics.

Morgan Stanley observed that over the reference period Amazon common stock traded at NTM P/E multiples ranging from 21.9x to 94.4x, and at NTM EBITDA multiples ranging from 8.2x to 32.5x. Morgan Stanley then noted that Amazon's closing price on July 21, 2009 of \$89.01 represented an NTM P/E multiple of 52.1x and NTM EBITDA multiple of 22.9x P/E. Morgan Stanley also noted that the forty-five trading day average closing price as of July 17, 2009 of \$81.09, at which the exchange ratios were determined as per the Merger Agreement, represented an NTM P/E multiple of 47.5x and an NTM EBITDA multiple of 20.7x.

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Morgan Stanley performed a variety of financial and comparative analyses for purposes of rendering its opinion. The preparation of a financial opinion is a complex process and is not necessarily susceptible to partial analysis or summary description. In arriving at its opinion, Morgan Stanley considered the results of all of its analyses as a whole and did not attribute any particular weight to any analysis or factor considered. Morgan Stanley believes that the summary provided and the analyses described above must be considered as a whole and that selecting any portion of the analyses, without considering all of them as a whole, would create an incomplete view of the process underlying Morgan Stanley's analyses and opinion. In addition, Morgan Stanley may have given various analyses and factors more or less weight than other analyses and factors, and may have deemed various assumptions more or less probable than other assumptions. As a result, the ranges of valuations resulting from any particular analysis or combination of analyses described above should not be taken to be the view of Morgan Stanley with respect to the actual value of Zappos or Amazon or their respective stock.

In performing its analyses, Morgan Stanley made numerous assumptions with respect to industry performance, general business, regulatory, and economic conditions and other matters, many of which are beyond the control of Morgan Stanley, Zappos or Amazon. Any estimates contained in the analyses of Morgan Stanley are not necessarily indicative of future results or actual values, which may be significantly more or less favorable than those suggested by such estimates.

Morgan Stanley conducted the analyses described above solely as part of its analysis of the fairness of the merger consideration pursuant to the Merger Agreement from a financial point of view to holders of Zappos shares, taken as a whole, and in connection with the delivery of its opinion to the Zappos Board. These analyses do not purport to be appraisals. The merger consideration was determined through arm's-length negotiations between Zappos and Amazon and was approved by the Zappos Board. Morgan Stanley provided advice to Zappos during these negotiations. Morgan Stanley did not, however, recommend any specific merger consideration to Zappos or that any specific merger consideration constituted the only appropriate merger consideration for the Merger.

The opinion of Morgan Stanley was one of the many factors taken into consideration by the Zappos Board in making its determination to approve the proposed transaction. Consequently, the analyses as described above should not be viewed as determinative of the opinion of the Zappos Board with respect to the merger consideration or of whether the Zappos Board would have been willing to agree to a different merger consideration. The foregoing summary does not purport to be a complete description of all of the analyses performed by Morgan Stanley. Morgan Stanley has consented to the use in this consent solicitation/prospectus of its written opinion letter dated July 22, 2009.

The Zappos Board retained Morgan Stanley based upon Morgan Stanley's qualifications, experience and expertise. Morgan Stanley is an internationally recognized investment banking and advisory firm. Morgan Stanley, as part of its investment banking business, is continuously engaged in the valuation of businesses and their securities in connection with mergers and acquisitions, negotiated underwritings, competitive biddings, secondary distributions of listed and unlisted securities, private placements and valuations for corporate, estate and other purposes. Morgan Stanley's opinion was approved by a committee of Morgan Stanley investment banking and other professionals in accordance with Morgan Stanley's customary practice. In the ordinary course of its trading, brokerage, investment management and financing activities, Morgan Stanley or its affiliates may actively trade the debt and equity securities of Amazon and its affiliates for its own accounts or for the accounts of its customers and, accordingly, may at any time hold long or short positions in such securities.

Under the terms of its engagement letter, Morgan Stanley provided Zappos financial advisory services and a financial opinion in connection with the Merger, and Zappos has agreed to pay Morgan Stanley a fee for its services of \$8.4 million in the aggregate, \$1.5 million of which was contingent upon the delivery of such financial opinion letter (described above), and \$6.9 million of which is contingent upon the consummation of the Merger. Zappos has also agreed to reimburse Morgan Stanley for its fees and expenses, including attorney's fees, incurred in connection with its services. In addition, Zappos has agreed to indemnify Morgan Stanley and its

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affiliates, their respective directors, officers, agents and employees and each person, if any, controlling Morgan Stanley and any of its affiliates against certain liabilities and expenses, including certain liabilities under the federal securities laws, related to or arising out of or in connection with Morgan Stanley's engagement. Furthermore, affiliates of Morgan Stanley own approximately 1.6% of the outstanding common stock of Zappos on an as-if converted basis.

Regulatory Clearances and Approvals

The Merger is subject to review by the FTC and the DOJ under the HSR Act. Under the HSR Act, Amazon, Zappos and Mr. Hsieh are required to make pre-merger notification filings and Amazon and Zappos must await the expiration of statutory waiting periods prior to completing the Merger. The completion of the Merger is conditioned upon the expiration or termination of the HSR Act waiting period and receipt of all required antitrust clearances, consents and approvals. The applicable waiting period expired on August 31, 2009, and Amazon and Zappos have obtained all governmental or regulatory approvals required to complete the Merger.

Notwithstanding expiration of the statutory waiting period and clearance of the Merger, and even after completion of the Merger, the FTC, the DOJ, a state attorney general, or an antitrust enforcement authority in another country could challenge or seek to block the Merger under the antitrust laws, as it deems necessary or desirable in the public interest. Moreover, a competitor, customer or other third party could initiate a private action under the antitrust laws challenging or seeking to enjoin the Merger, before or after it is completed. Private parties or individual states may also bring legal actions under the antitrust laws. Amazon and Zappos do not believe that the completion of the Merger will result in a violation of any applicable antitrust laws. However, there can be no assurance that a challenge to the Merger on antitrust grounds will not be made or, if this challenge is made, what the result will be. See the sections of this consent solicitation/prospectus entitled "Summary of the Merger Agreement" and "Conditions to the Consummation of the Merger" beginning on page 59 for certain conditions to the Merger.

Accounting Treatment

Amazon will account for the Merger as a purchase of the business, which requires the assets and liabilities of Zappos to be measured and recorded at their fair value. The results of operations of Zappos will be included in Amazon's Consolidated Statement of Operations from and after the effective time that control of Zappos transfers to Amazon, which will occur on the date of the Merger. The purchase method of accounting is based on Financial Accounting Standard No. 141 (revised 2007), *Business Combinations* (SFAS No. 141(R)).

Federal Securities Laws Consequences

The shares of Amazon common stock to be issued in the Merger will be registered under the Securities Act. These shares will be freely transferable under the Securities Act, except for Amazon common stock issued to any person who is deemed to be an affiliate of Amazon. Persons who may be deemed to be affiliates include individuals or entities that control, are controlled by, or are under common control with Amazon and includes Amazon's respective executive officers and directors, as well as principal shareholders. Affiliates may not sell their Amazon common stock acquired in the Merger, except pursuant to an effective registration statement under the Securities Act covering the resale of those shares; or any other applicable exemption under the Securities Act.

Management Following the Merger

Neither the Amazon Board nor the executive officers of Amazon will change with the consummation of the Merger. Information about Amazon's directors and executive officers, including biographical information, executive compensation and relationships and related transactions between management and Amazon, can be found in Amazon's proxy statement for the 2009 annual meeting of shareholders and annual report on Form 10-K for the fiscal year ended December 31, 2008, both of which are filed with the SEC and incorporated by reference.

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herein. For more details about how you can obtain copies of Amazon's proxy statement and Form 10-K, see [Where You Can Find More Information](#) on page 87.

Interests of Certain Persons in the Merger

Members of the Zappos Board and executive officers of Zappos may have interests in the Merger that are different from, or are in addition to, the interests of Zappos shareholders generally. The Zappos Board was aware of these interests and considered them, among other matters, in adopting and approving the Merger Agreement and in determining to recommend to Zappos shareholders to approve the Merger and adopt and approve the Merger Agreement and the transactions contemplated thereby.

Executive Officer Employment Arrangements

On July 22, 2009, Amazon delivered Retention Agreements to Mr. Lin, Mr. Mossler and certain employees of Zappos (the *Retention Agreements*), which state that, subject to the approval of the Amazon Board, each will receive Amazon Restricted Stock Units (*RSUs*). The existing employment arrangements of Mr. Hsieh, Mr. Lin and Mr. Mossler have otherwise been maintained. These Retention Agreements will become effective as of the consummation of the Merger.

Mr. Hsieh's employment arrangements will continue after consummation of the Merger. Mr. Hsieh will serve as Chief Executive Officer of the Zappos subsidiary of Amazon. Mr. Hsieh will receive an annual base salary of \$36,000. Mr. Hsieh will be entitled to continued coverage under Zappos' Group Medical, Dental, Life Insurance and 401(k) plans.

Mr. Lin's employment arrangements will continue after consummation of the Merger. Mr. Lin will serve as Chief Operating Officer and Chief Financial Officer of the Zappos subsidiary of Amazon. Mr. Lin will receive an annual base salary of \$160,000. Under Mr. Lin's Retention Agreement, subject to consummation of the Merger and commencement of his employment with Amazon, Mr. Lin will receive a one-time grant of 44,394 Amazon RSUs, which, upon vesting, convert automatically on a one-for-one basis into shares of Amazon common stock. Mr. Lin's grant of Amazon RSUs will be made under Amazon's 1997 Stock Incentive Plan and will be subject to the standard terms and conditions of Amazon RSUs, and, subject to Mr. Lin's continued employment with Amazon, will vest as follows: 20% in the months he reaches his first and second anniversaries of commencing employment with Amazon, and 30% in the months he reaches his third and fourth anniversaries of commencing employment with Amazon. Mr. Lin will be entitled to continued coverage under Zappos' Group Medical, Dental, Life Insurance and 401(k) plans.

Mr. Mossler's employment arrangements will continue after consummation of the Merger. Mr. Mossler will receive an annual base salary of \$185,000. Under Mr. Mossler's Retention Agreement, subject to consummation of the Merger and commencement of his employment with Amazon, Mr. Mossler will receive a one-time grant of 36,995 RSUs, which, upon vesting, convert automatically on a one-for-one basis into shares of Amazon common stock. Mr. Mossler's grant of Amazon RSUs will be made under Amazon's 1997 Stock Incentive Plan and will be subject to the standard terms and conditions of Amazon RSUs, and, subject to Mr. Mossler's continued employment with Amazon, will vest as follows: 20% in the months he reaches his first and second anniversaries of commencing employment with Amazon, and 30% in the months he reaches his third and fourth anniversaries of commencing employment with Amazon. Mr. Mossler will be entitled to continued coverage under Zappos' Group Medical, Dental, Life Insurance and 401(k) plans.

Non-Competition and Non-Solicitation Agreements

Mr. Hsieh, Mr. Lin and Mr. Mossler have each entered into non-competition and non-solicitation agreements with Amazon in connection with the execution of the Merger Agreement, that become effective upon the consummation of the Merger. The non-competition and non-solicitation agreements restrict each such person

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for three years from the closing of the Merger from competing with the business of Zappos and from employing or soliciting any director, officer, employee, consultant or third-party contractor of Zappos to cease his or her relationship with Zappos or soliciting any customer, distributor, partner, joint venturer or supplier of Zappos from continuing to do business with Zappos. These persons have not received any additional consideration in connection with the non-competition and non-solicitation agreements. It is a condition to the obligations of Amazon to consummate the Merger that these arrangements have not been challenged as unenforceable or rescinded by any of these persons.

Accelerated Vesting of Options

Ann Mather, a director of Zappos, holds a stock option to purchase upon exercise 150,000 shares of Zappos common stock at a per share exercise price of \$6.00. The stock options vest in equal installments over 48 months and, as of August 31, 2009, 37,500 shares were unvested. Immediately prior to the completion of the Merger, assuming continued service by Ms. Mather to Zappos until that time, all then unvested shares shall become immediately vested and exercisable.

The value of the options that will vest and become exercisable immediately prior to consummation of the Merger will depend on the day on which the closing occurs, the final exchange ratio for Zappos common stock and the market price of Amazon common stock. Assuming an exchange ratio of 0.1694 shares of Amazon common stock for each share of Zappos common stock, the 37,500 Zappos shares that could be purchased under the portion of Ms. Mather's option that would be accelerated and vested as of August 31, 2009 would be equivalent to options to purchase 6,352 shares of Amazon common stock at a per share exercise price of approximately \$35.42. As a result, assuming Amazon common stock trades at \$81.09 per share, which was the average closing price for the forty-five trading days ending July 17, 2009, the spread (that is, the value measured as the aggregate difference between the exercise price and the value of the shares that are subject to the option), of Ms. Mather's option for which vesting would be accelerated in connection with the Merger is approximately \$290,096.

Indemnification; Directors and Officers Insurance

Following the consummation of the Merger, the surviving entity in the Merger will indemnify each director or officer of Zappos for any and all actions taken by those individuals prior to the effective time of the Merger to the fullest extent and in the same manner as Zappos provided indemnification to those directors and officers pursuant to Zappos' Articles of Incorporation and director and officer indemnity agreements in effect at the effective time of the Merger. In addition, if any indemnified person becomes a defendant in any actual action, Amazon has agreed to advance to that individual his or her legal and other expenses consistent with the terms and conditions for that advancement under Zappos' indemnification provisions. Under the terms of the Merger Agreement, Zappos may obtain directors, and officers, insurance prior to the closing of the Merger, for liabilities that arise after the closing of the Merger, covering the persons currently covered under Zappos' directors, and officers, insurance, and the cost of such insurance will be treated as an expense of Zappos in connection with the transaction and therefore deducted from the consideration for your shares.

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SUMMARY OF THE MERGER AGREEMENT

Below is a summary of the Merger Agreement, which is attached to this consent solicitation/prospectus as *Appendix A* and is incorporated by reference into this document. You should read the Merger Agreement in addition to this Summary.

Cautionary Statement Concerning Representations and Warranties Contained in the Merger Agreement

The Merger Agreement, this summary of its terms and disclosures about and regarding other agreements included or incorporated by reference in this consent solicitation/prospectus are included to provide investors and shareholders with information regarding the terms of the Merger Agreement and such other agreements, and are not intended to modify any other factual disclosures about Amazon, Zappos or the other parties to the agreements made in filings with the SEC. The Merger Agreement contains representations and warranties made by each of the parties and other agreements likewise may contain representations and warranties made by each of the parties to the applicable agreement. These representations and warranties have been made solely for the benefit of the other parties to the applicable agreement, and not for the purpose of providing information to be relied upon by shareholders of Amazon or Zappos. Accordingly, in reviewing the representations and warranties in the Merger Agreement or such other agreements and the descriptions of them included or incorporated by reference in this consent solicitation/prospectus, it is important to bear in mind that the representations and warranties should not be treated as categorical statements of fact, but rather as a way of allocating risk between the parties; have in some cases been qualified by disclosures that were made to the other party in connection with the negotiation of the applicable agreement, which disclosures are not necessarily reflected in the agreement; may apply standards of materiality in a way that is different from what may be material to investors; were made only as of the date of the applicable agreement or such other date or dates as may be specified in the agreement and will not be revised notwithstanding more recent developments; and may not describe the actual state of affairs as of the date they were made or at any other time. Information about Amazon can be found elsewhere in this consent solicitation/prospectus and in other public filings Amazon makes with the SEC. Information about Zappos can also be found elsewhere in this consent solicitation/prospectus.

General

The Boards of Directors of both Amazon and Zappos have unanimously adopted and approved the Merger Agreement, which provides for the acquisition by Amazon of Zappos through the Merger. The Merger will result in Zeta Acquisition, a California corporation and wholly-owned subsidiary of Amazon, merging with and into Zappos, so that Zappos, as the surviving entity, will become a wholly-owned subsidiary of Amazon. The Merger will become effective upon the filing of the agreement of merger and other appropriate documents with the California Secretary of State, as referenced in the Merger Agreement. In exchange for their shares of Zappos common stock, preferred stock, and/or options to purchase shares of Zappos common stock, the Zappos shareholders will receive shares of Amazon common stock and/or options to purchase shares of Amazon common stock. Former Zappos shareholders will not have any equity ownership interest in the surviving corporation.

Merger Consideration; Conversion of Shares in the Merger

The Total Merger Consideration is equal to (a) \$838,000,000, *minus* (b) \$52,000,000 for Zappos net debt as of March 31, 2009, *plus* (c) the lesser of (1) \$35,000,000 and (2) the aggregate exercise price of all Stock Purchase Rights, whether vested or unvested, outstanding and unexercised as of the closing of the Merger, *plus* the aggregate exercise price of all Stock Purchase Rights exercised between June 8, 2009 and the closing of the Merger, *minus* (d) the lesser of (1) \$15,000,000 and (2) Zappos transaction expenses incurred in connection with the Merger. The total aggregate number of Amazon shares to be issued in connection with the Merger, including future issuance under vested and unvested Stock Purchase Rights assumed in the Merger, is the Total Merger Consideration *divided by* \$81.09, which is the average of the closing prices of Amazon common stock for the forty-five trading days ending July 17, 2009.

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Each share of Zappos common stock would convert into at least 0.1688 shares of Amazon common stock if (i) all outstanding Zappos Series A, Series B, Series C and Series D preferred stock and Zappos Series B warrants are converted to Zappos common stock before the Merger, (ii) the aggregate exercise price of all Zappos Stock Purchase Rights outstanding at the closing of the Merger or exercised between June 8, 2009 and the closing remains \$30,000,000 (the approximate amount on July 22, 2009) and (iii) Zappos transaction expenses are \$15,000,000 (the maximum amount). However, the final exchange ratio for Zappos common stock in the Merger is expected to be higher. For example, if, in the example above, the aggregate exercise price of all Zappos Stock Purchase Rights outstanding at the closing of the Merger or exercised between June 8, 2009 and the closing is \$33,000,000, and the Zappos transaction expenses are \$12,000,000, then each share of Zappos common stock will be converted into approximately 0.1694 shares of Amazon common stock and Amazon will issue approximately 9,952,000 shares of its common stock in the Merger.

At the effective time of the Merger, each issued and outstanding share of Zappos preferred stock (if not otherwise converted into Zappos common stock) will be converted into and become exchangeable for a number of shares of Amazon common stock as follows:

The number of shares of Amazon common stock to be issued as consideration for Zappos Series A preferred stock is calculated as the liquidation preference of Zappos Series A preferred stock (\$0.10), *divided by* \$81.09. Accordingly, each share of Zappos Series A preferred stock, if not converted prior to the Merger, will be converted as a result of the Merger into 0.0012 shares of Amazon common stock for each share of Zappos Series A preferred stock.

The number of shares of Amazon common stock to be issued as consideration for Zappos Series B preferred stock is calculated as the liquidation preference of Zappos Series B preferred stock (\$0.1949), *divided by* \$81.09. Accordingly, each share of Zappos Series B preferred stock, if not converted prior to the Merger, will be converted as a result of the Merger into 0.0024 shares of Amazon common stock for each share of Zappos Series B preferred stock.

The number of shares of Amazon common stock to be issued as consideration for Zappos Series C preferred stock is calculated as the liquidation preference of Zappos Series C preferred stock (\$0.45273), *divided by* \$81.09. Accordingly, each share of Zappos Series C preferred stock, if not converted prior to the Merger, will be converted as a result of the Merger into 0.0056 shares of Amazon common stock for each share of Zappos Series C preferred stock.

The number of shares of Amazon common stock to be issued as consideration for Zappos Series D preferred stock is calculated as the liquidation preference of Zappos Series D preferred stock (\$0.7910), *divided by* \$81.09. Accordingly, each share of Zappos Series D preferred stock, if not converted prior to the Merger, will be converted as a result of the Merger into 0.0098 shares of Amazon common stock for each share of Zappos Series D preferred stock.

The number of shares of Amazon common stock to be issued as consideration for Zappos Series E preferred stock is calculated as the liquidation preference of Zappos Series E preferred stock (\$24.64) *minus* the Series E per share transaction expenses, *divided by* \$81.09. Assuming, for illustration purposes, the exercise price of all Zappos Stock Purchase Rights outstanding at, or exercised in connection with, the closing of the Merger is \$33,000,000, Zappos transaction expenses are \$12,000,000, that no shares of Zappos Series E preferred stock convert into Zappos common stock, and that each holder of Series E preferred stock consents to the Merger, each share of Zappos Series E preferred stock will be converted into 0.2994 shares of Amazon common stock.

The number of shares of Amazon common stock to be issued as consideration for Zappos Series F preferred stock is calculated as the liquidation preference of Zappos Series F preferred stock (\$24.642) *minus* the Series F per share transaction expenses, *divided by* \$81.09. Assuming, for illustration purposes, the exercise price of all Zappos Stock Purchase Rights outstanding at, or exercised in connection with, the closing of the Merger is \$33,000,000, Zappos transaction expenses are \$12,000,000, that no shares of Zappos Series F preferred stock convert into Zappos common stock, and

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that each holder of Series F preferred stock consents to the Merger, each share of Zappos Series F preferred stock will be converted into 0.2994 shares of Amazon common stock.

For the purposes of calculating the number of shares of Amazon common stock to be issued as consideration for the Zappos Series E and Series F preferred stock, the Series E per share transaction expenses means an amount equal to the aggregate Zappos transaction expenses allocated to the Series E preferred stock pursuant to the Merger Agreement, *divided by* the total shares of Series E preferred stock outstanding at the effective time of the Merger; provided, that the Series E per share transaction expenses will be zero if any share of Series E preferred stock outstanding at the effective time did not vote in favor of the Merger. Similarly, the Series F per share transaction expenses means an amount equal to the aggregate Zappos transaction expenses allocated to the Series F preferred stock pursuant to the Merger Agreement, *divided by* the total shares of Series F preferred stock outstanding at the effective time; provided, that the Series F per share transaction expenses will be zero if any share of Series F preferred stock outstanding at the effective time did not vote in favor of the Merger.

Fractional Shares

No fractional shares of Amazon common stock will be issued in connection with the Merger and no dividends or other distributions with respect to the Amazon common stock will be payable on or with respect to any fractional share. In lieu of the issuance of any such fractional share, Amazon will pay to each former Zappos shareholder who otherwise would be entitled to receive a fractional share of Amazon common stock an amount in cash (without interest) determined by multiplying (a) the fraction of a share of Amazon common stock which such holder would otherwise be entitled to receive (aggregating all shares of Zappos capital stock held at the effective time of the Merger by such holder and rounded to the nearest thousandth when expressed in decimal form) by (b) \$81.09.

Treatment of Zappos Options

At the effective time of the Merger, unless otherwise agreed by Amazon and any affected Zappos stock option holder, and except for certain options held by non-employees (which will be vested and fully exercisable prior to the effective time of the Merger, but which will be cancelled and not assumed by Amazon to the extent they remain outstanding as of the effective time), each outstanding option (whether vested or unvested) to purchase Zappos common stock pursuant to the Zappos 2009 Stock Plan, formerly the Zappos 1999 Stock Plan, will be converted into an option to purchase, on the same terms and conditions as such Zappos stock option (including any vesting or forfeiture provisions or repurchase rights), a number of shares of Amazon common stock (rounded down to the nearest whole share) equal to (a) the number of shares of Zappos common stock subject to each Zappos stock option immediately prior to the effective time of the Merger, *multiplied by* (b) the Common Exchange Ratio at an exercise price per share (rounded up to the nearest whole cent) equal to (x) the exercise price per share of Zappos common stock otherwise purchasable pursuant to such Zappos stock option *divided by* (y) the Common Exchange Ratio. Zappos has agreed to take all commercially reasonable action at or prior to the effective time of the Merger to enable the substitution of Amazon stock options for Zappos stock options.

Amazon is not required to complete the Merger unless the holders of at least 85% of the Zappos stock options outstanding at the effective time of the Merger, in the aggregate, execute option consents in connection with the Merger. Pursuant to the terms of the option consents, option holders agree, among other things, (a) to be bound by the indemnification provisions of Article VIII of the Merger Agreement and the Escrow Agreement, (b) that the exercise of any Amazon stock option prior to February 28, 2011 will result in a contribution to the escrow fund of approximately the portion of shares received upon exercise which would be held in escrow if the shares had been issued as merger consideration, (c) that any option holder indemnification obligations to Amazon will be satisfied by forfeiture of Amazon stock options in equal proportion to the shareholders' forfeiture of shares held in the escrow fund, and additional Amazon stock options with an intrinsic value equal to the exercise price of such forfeited options will also be subject to cancellation, (d) to the appointment of Alfred Lin as the option holder representative and attorney-in-fact, and (e) to the waiver of any early exercise rights, if applicable.

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Escrow Fund

At the closing, Amazon will deduct from the merger consideration payable to the Zappos shareholders and deposit with Mellon Investor Services, LLC, as escrow agent, a number of shares of Amazon common stock equal to either (a) 10% of the total number of shares of Amazon common stock issuable to holders of Zappos capital stock if immediately prior to the effective time the total number of shares that could become dissenting shares is less than 5% of the total outstanding shares of Zappos capital stock, or (b) if immediately prior to the effective time the total number of shares that could become dissenting shares is equal to or greater than 5% of the total outstanding shares of Zappos capital stock, the product of (i) 10% of the total number of shares of Amazon common stock issuable to holders of Zappos capital stock, *multiplied by* (ii) the ratio of (A) the total outstanding shares of Zappos capital stock immediately prior to the effective time of the Merger on a fully diluted basis *divided by* (B) the total outstanding shares of Zappos capital stock immediately prior to the effective time of the Merger on a fully diluted basis *minus* the total number of shares that could become dissenting shares, for the purpose of satisfying any indemnification obligations arising under the Merger Agreement (the *Escrow Percentage*). Each shareholder will have voting rights with respect to the shares of Amazon common stock deposited to the escrow fund by or on behalf of such shareholder (and any additional shares as may be issued after the effective time with respect to the shares upon any stock split, dividend or recapitalization effected by Amazon after the effective time) unless paid to Amazon in satisfaction of an indemnification claim. See the section entitled *Proposed Merger Summary of the Merger Agreement Survival; Indemnification* on page 55.

From time to time after the effective time, Amazon may deposit additional shares of Amazon common stock to the escrow fund upon the occurrence of any of the following events between the Closing Date and the expiration of the escrow period:

upon the exercise of any Amazon stock option issued in connection with the Merger to purchase shares of Amazon common stock on or prior to February 28, 2011 (provided that such optionholder executed a written consent to be bound by the indemnification provisions of the Merger Agreement), Amazon will deposit with the escrow agent a number of shares of Amazon common stock equal to (a) the number of shares of Amazon common stock issued in connection with such exercise, *multiplied by* (b) the Escrow Percentage, on behalf of such optionholder, which will be held on behalf of such optionholder as if he or she were a shareholder as of the effective time;

for each holder of dissenting shares that withdraws his, her or its rights as a dissenting shareholder between the Closing Date and the release of the escrow fund, Amazon will deposit with the exchange agent a number of shares of Amazon common stock equal to (a) the number of shares of Amazon common stock that such holder of dissenting shares is entitled to pursuant to the terms of the Merger Agreement *multiplied by* (b) the Escrow Percentage, on behalf of such dissenting shares as if it, he or she were a shareholder as of the effective time; and

any additional shares of Amazon common stock as may be issued after the effective time of the Merger with respect to the shares constituting the escrow fund upon any stock split, stock dividend or recapitalization effected by Amazon after the effective time of the Merger.

Upon a successful claim by Amazon for indemnification, a number of shares of Amazon common stock held in escrow equal to the recoverable damages underlying such claim will be returned to Amazon and such shares will not be paid out to former Zappos shareholders upon expiration of the escrow period. For the purposes of determining the number of shares of Amazon common stock to be delivered to Amazon out of the escrow fund, a share of Amazon common stock will be valued at \$81.09.

Pursuant to the Merger Agreement, on or about February 28, 2011, the escrow agent will be instructed to release from escrow all Amazon shares other than that number of shares with a value, calculated at \$81.09 per share, of (i) \$40,000,000 *plus* (ii) the value of pending indemnification claims. The remaining shares in escrow, less amounts equal to unsatisfied indemnification claims, will be released on the four year anniversary of the closing of the Merger (or such later date to the extent of pending claims) and otherwise pursuant to the terms of

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the Escrow Agreement. Escrowed shares remaining in the escrow fund after settlement of all claims will be distributed to former Zappos shareholders in accordance with their respective contributions (as adjusted for any amounts delivered to Amazon with respect to a breaching shareholder). See the section entitled Summary of the Merger Agreement Survival; Indemnification on page 55.

Shareholder Representative

Pursuant to the Merger Agreement, Zappos shareholders (and holders of Zappos stock options who have provided their written consent) will appoint a representative for purposes of taking certain actions and giving certain consents on behalf of the Zappos shareholders and such consenting optionholders, as specified in the Merger Agreement. Approval of the Merger and adoption and approval of the Merger Agreement and the transactions contemplated thereby also constitutes consent to the appointment of Alfred Lin as the Shareholder Representative.

Shareholder Representative Expense Fund

Upon completion of the Merger, Amazon will deduct from the merger consideration payable to the Zappos shareholders and deposit into an expense fund 0.15% of the total number of shares of Amazon common stock issuable to holders of Zappos capital stock. The expense fund shall be available to reimburse the Shareholder Representative for expenses incurred in performing his duties as the shareholder representative (including legal fees and related expenses). The Shareholder Representative shall have the authority to instruct the escrow agent to liquidate any shares in the expense fund and to distribute any amounts received upon liquidation to either the Shareholder Representative personally, or at his instruction, to any third party providing services in connection with the obligations of the shareholder representative. Pursuant to the Merger Agreement, Amazon common stock held in the expense fund will be distributed at such time as the Shareholder Representative reasonably believes that all of his obligations as the shareholder representative have been satisfied pursuant to the terms of the Merger Agreement and Escrow Agreement.

Closing and Effectiveness of the Merger

The closing of the Merger is expected to take place on the second business day following the satisfaction or, to the extent permitted under the Merger Agreement and by applicable law, waiver of all conditions to the obligations of the parties set forth in the Merger Agreement and described below (other than such conditions as may, by their terms, only be satisfied at the closing or on the Closing Date, subject to such satisfaction or waiver thereof) (see Summary of the Merger Agreement Conditions to the Consummation of the Merger on page 59), or on such other date as Amazon and Zappos mutually agree. At the closing, Amazon and Zappos shall cause an agreement of merger and other appropriate documents to be executed and filed with the Secretary of State of the State of California.

Exchange Fund

The Merger Agreement provides that Amazon will deposit with the exchange agent the shares of Amazon common stock issuable to Zappos shareholders, less the shares deposited into the escrow fund and shareholder representative expense fund, and any dividends or distributions and any cash in lieu of fractional shares to which holders of such shares are entitled. It is currently contemplated that the exchange agent will be BNY/Mellon Investor Services LLC, Amazon's transfer agent.

Exchange of Zappos Stock Certificates for the Merger Consideration

The Merger Agreement provides that Amazon will use commercially reasonable efforts to cause the exchange agent to mail, within five business days of the closing of the Merger, to each record holder of Zappos capital stock immediately prior to the effective time of the Merger, a letter of transmittal and instructions for surrendering and exchanging the record holder's Zappos share certificates. Upon surrender of a Zappos share certificate for exchange to the exchange agent, together with a duly completed and validly executed letter of

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transmittal, and such other documents as the exchange agent may reasonably require, the record holder of the Zappos certificate will be entitled to receive the following:

the shares of Amazon common stock that such holder has the right to receive pursuant to the provisions of the Merger Agreement, net of any amounts deposited with the escrow agent (which will be in uncertificated book-entry form unless a physical certificate is requested);

dividends or other distributions, if any, to which such holder is entitled under the terms of the Merger Agreement; and

any cash in lieu of fractional shares of Amazon common stock to which such holder is entitled under the terms of the Merger Agreement.

If any Zappos share certificate has been lost, stolen or destroyed, upon the making of an affidavit of that fact by the person claiming such certificate to be lost, stolen or destroyed and, if required by Amazon or the exchange agent, the posting by such person of a bond in such amount as Amazon or the exchange agent may determine is reasonably necessary as indemnity against any claim that may be made against it with respect to such certificate, the exchange agent will deliver in exchange for such lost, stolen or destroyed certificate shares of Amazon common stock and any dividends or other distributions payable on such shares, and any cash in lieu of fractional shares of Amazon common stock payable in respect thereof.

Dissenters Rights

Any shares of Zappos common or preferred stock that are issued and outstanding immediately prior to the effective time of the Merger and that have not approved the Merger via written consent (or with respect to which the holder has not otherwise effectively waived its rights under Chapter 13 of the California General Corporation Law), and with respect to which a demand for payment and appraisal has been properly made in accordance with Chapter 13 of the California General Corporation Law, will not be converted into the right to receive the merger consideration otherwise payable with respect to such shares of Zappos common or preferred stock, except as set forth below. See the section entitled **Rights of Dissenting Shareholders** on page 66. Following the closing, if a holder of dissenting shares withdraws his, her or its demand for such payment and appraisal (with the consent of Zappos), Amazon will deposit the holder's pro rata share of Amazon common stock into the escrow fund as described below. See the section entitled **Summary of the Merger Agreement Escrow Fund** on page 52 for additional information.

Lock-Up

During the period beginning on the Closing Date and continuing until the one year anniversary of the Closing Date, each of Mr. Hsieh, Mr. Lin, and Mr. Mossler (each, a **Locked-Up Party**) will be prohibited from (a) offering, pledging, selling or contracting to sell shares of Amazon common stock or options to purchase shares of Amazon common stock received as a merger consideration (the **Locked-Up Shares**); (b) offering, pledging, selling or contracting to sell any option to purchase any shares of Amazon common stock; (c) granting any option, right or warrant for the sale of Amazon common stock; (d) lending or otherwise disposing of or transferring (or entering into any transaction or device designed to, or that could be expected to, result in the disposition by any person at any time in the future of) any Locked-Up Shares or securities convertible into or exercisable or exchangeable for Locked-Up Shares; (e) entering into a swap or other derivatives transaction or agreement that transfers, in whole or in part (directly or indirectly), the economic consequences of ownership of any Locked-Up Shares, whether any such swap or transaction described in clauses (a) through (e) is to be settled by delivery of the Locked-Up Shares or other securities, in cash or otherwise; or (f) announcing his intent to do any of the foregoing. However, during the period commencing on the Closing Date and ending on the date of the one year anniversary of the Closing Date, a Locked-Up Party may enter into a transaction described in clauses (a) through (f) during each calendar quarter with respect to up to the sum of (i) 25% of the Locked-Up Shares received by such Locked-Up Party and (ii) the Locked-Up Shares that were eligible to be the subject of the transactions described in clauses (a) through (f) during any prior calendar quarter.

Table of Contents**Representations and Warranties**

The Merger Agreement contains customary representations and warranties of the parties. These include representations and warranties of Zappos with respect to, among other things: organization; enforceability and authority; capitalization; equity interests; no approvals or conflicts; financial statements; absence of certain changes or events; taxes; property; contracts; suppliers; warranties and returns; claims and legal proceedings and government orders; labor and employment matters; employee benefit plans; intellectual property; corporate books and records; inventory; licenses/permits/authorizations; compliance with laws; insurance; brokers and finders; absence of questionable payments; bank accounts; insider interests; and full disclosure. The Merger Agreement also contains customary representations and warranties of Amazon and Zeta Acquisition, including among other things: organization; enforceability and due authority; no approvals and no conflict; SEC reports; brokers and finders; Amazon common stock; and no prior operation of Zeta Acquisition.

The representations, warranties and covenants made by Zappos in the Merger Agreement are qualified by information contained in a disclosure memorandum delivered to Amazon and Zeta Acquisition in connection with the execution of the Merger Agreement. Certain representations and warranties were made as of a specific date, and certain representations and warranties may be subject to contractual standards of materiality different from those generally applicable to shareholders, or may have been used for the purpose of allocating risk between the parties rather than establishing matters of fact. Amazon and Zappos shareholders are not third party beneficiaries under the Merger Agreement and should not rely on the representations, warranties and covenants or any descriptions thereof as characterizations of the actual state of facts or condition of Amazon or Zappos or any of their respective affiliates.

Survival; Indemnification***Survival of Representations and Warranties and Covenants***

The representations and warranties of Zappos, Amazon and Zeta Acquisition contained in the Merger Agreement survive until February 28, 2011, other than representations and warranties relating to enforceability and authority, capitalization, equity interests, taxes, and broker's fees and finder's fees (the Core Representations and Warranties), and any representation in the case of fraud or intentional misrepresentation, which survive indefinitely.

Indemnification of Amazon

Pursuant to the terms of the Merger Agreement, the shareholders and the consenting optionholders, severally, and not jointly, on a pro rata basis, will save, defend, indemnify and hold harmless Amazon and its affiliates (including Zeta Acquisition and the surviving corporation following the closing), each of their respective affiliates, officers, directors, principals, employees, advisors, auditors, agents, bankers and other representatives, and each of their permitted successors and assigns (the Amazon Indemnified Parties) against any losses or other liability (including reasonable outside attorneys' fees and reasonable costs and other out-of-pocket expenses) as a result of:

1. any breach of any representation or warranty made by Zappos contained in the Merger Agreement or any operative document to which Zappos is a party or any schedule, certificate or other similar document delivered pursuant thereto or any third party claim that if meritorious would have been a breach of any representation or warranty made by Zappos in the Merger Agreement or any operative document to which Zappos is a party or any schedule, certificate or other similar document delivered pursuant thereto (for purposes of determining such losses, without giving effect to any limitations or qualifications thereto relating to materiality, material adverse effect, or any supplements or updates to Zappos' disclosure memorandum made after the date of the Merger Agreement, other than certain supplements to the disclosure memorandum or any matter receiving Amazon's prior written consent) or any breach of Zappos' covenant to update the disclosure memorandum at least three business days prior to the closing as necessary to make it complete and correct;

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2. (a) any breach of any covenant, except the covenant to update the disclosure memorandum, or agreement by Zappos contained in the Merger Agreement or any operative document to which Zappos is a party or any schedule, certificate or other similar document delivered pursuant thereto (including as a result of the action or failure to act of Zappos or any of its subsidiaries), (b) the taking of any action prohibited by the covenant governing the conduct of business between the date of the Merger Agreement and the closing for which Amazon did not expressly consent, or (c) any breach of the Non-Competition Agreement by a key employee, but only to the extent of shares of Amazon common stock escrowed on behalf of such breaching key employee (with such key employee s breach the several obligation of such key employee);
3. any transaction expenses charged to Amazon, Zeta Acquisition, the surviving corporation or Zappos that were either in excess of \$15,000,000 or that were not reflected on the schedule of expenses delivered by Zappos prior to the closing or any amounts required to be paid to any Zappos shareholder in excess of amounts identified by Zappos to Amazon prior to the closing of the Merger;
4. any amounts required to be paid to holders of dissenting shares, including any interest required to be paid thereon, that are in excess of what such shareholder would have received hereunder had such shareholder not been a holder of dissenting shares; or
5. without duplication, any losses resulting from certain tax matters disclosed by Zappos to Amazon, to the extent not reserved against on Zappos interim balance sheet.

Losses from (i) breaches of the Core Representations and Warranties, (ii) fraud, intentional misrepresentation or intentional breach, and (iii) clauses 2-5 above, are referred to collectively as Special Matters.

Other Limitations

The Amazon Indemnified Parties may not recover any loss as a result of breaches of certain representations and warranties until the aggregate amount of loss equals or exceeds \$1,000,000, in which case the indemnifying party shall be liable only for the losses in excess of such amount, except with respect to the Special Matters, which will not count towards or be subject to any indemnification deductible. The maximum aggregate amount of loss which may be recovered by the Amazon Indemnified Parties arising out of or relating to (a) breach of representations or warranties made by Zappos, other than a breach of the Core Representations and Warranties or arising out of fraud or intentional misrepresentation, or (b) the untruth or breach of any Core Representation or Warranty to the extent that the loss is comprised of certain tax matters, will be equal to, and consist solely of, the value of (x) the shares of Amazon common stock in the escrow fund, *minus* (y) the shares of Amazon common stock deposited in the escrow fund on account of dissenting shareholders who have withdrawn or relinquished their dissent and which shares have not been distributed from the escrow fund, *plus* (z) the Amazon options subject to forfeiture pursuant to option consents.

Subject to the limits for an untruth or breach of any Core Representation or Warranty comprised of certain tax matters, the maximum aggregate amount of loss which may be recovered by the Amazon Indemnified Parties for Special Matters (other than losses from fraud or intentional misrepresentation as described below) shall be limited to the value of shares of Amazon common stock actually received by indemnifying parties (and based on an Amazon common stock price of \$81.09) and all Amazon stock options issued to consenting optionholders.

The maximum aggregate amount of loss which may be recovered by the Amazon Indemnified Parties as a result of fraud or intentional misrepresentation shall not be subject to any limitation.

Core Representations and Warranties, excluding certain tax matters, and representations in the case of fraud and intentional misrepresentation survive indefinitely. Representations and warranties relating to certain tax matters survive until the fourth anniversary of the closing of the Merger and all other representations and warranties survive until February 28, 2011.

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Covenants of Amazon and Zappos

Covenants Relating to the Conduct of Zappos Business

Zappos has agreed that prior to the Closing Date, its business and the business of its subsidiaries will be conducted in the ordinary course of business consistent with past practice; and Zappos will, and will cause each of its subsidiaries to, use commercially reasonable efforts to preserve substantially intact the business organization and assets of it and its subsidiaries, keep available the services of the current officers, employees and consultants of Zappos and its subsidiaries and preserve the current relationships of Zappos and its subsidiaries with customers, suppliers and other persons with which Zappos or any of its subsidiaries has significant business relations. Zappos has also agreed that neither it nor its subsidiaries will take certain other actions during the period between the execution of the Merger Agreement and the Closing Date, subject to certain limited exceptions as set forth in the Merger Agreement, without the prior written consent of Amazon, including the following:

amend or otherwise change Zappos Articles of Incorporation or Zappos Bylaws or equivalent organizational documents;

issue, sell, pledge, dispose of or otherwise encumber (i) any shares of capital stock of Zappos or any of its subsidiaries, or any options, warrants, convertible securities or other rights of any kind to acquire any such shares, or any other ownership interest in Zappos or any of its subsidiaries or (ii) any properties or assets of Zappos or any of its subsidiaries;

declare, set aside, make or pay any dividend or other distribution;

reclassify, combine, split, subdivide or redeem, or purchase or otherwise acquire, directly or indirectly, any of its capital stock or make any other change with respect to its capital structure;

acquire any corporation, partnership, limited liability company, other business organization or division thereof or any material amount of assets, or enter into any joint venture, strategic alliance, exclusive dealing, non-competition or similar contract or arrangement;

adopt a plan of complete or partial liquidation, dissolution, merger, consolidation, restructuring, recapitalization or other reorganization or otherwise alter the corporate structure;

incur any indebtedness for borrowed money or issue any debt securities or assume, guarantee or endorse, or otherwise become responsible for, the obligations of any person, or make any loans or advances, except in the ordinary course of business consistent with past practice under disclosed loan agreements;

except in the ordinary course of business, enter into, amend, waive, modify or consent to the termination of any material contract or rights thereunder, or enter into any other contract other than in the ordinary course of business consistent with past practice;

authorize or commit with respect to any single capital expenditure that is in excess of \$500,000 or capital expenditures that are, in the aggregate, in excess of \$1,000,000 for Zappos and its subsidiaries as a whole;

enter into any lease of real or personal property or any renewals thereof involving a term of more than one year or rental obligation exceeding \$100,000 per year in any single case and \$200,000 in any single year in the aggregate for all such leases;

enter into or amend any employment, consulting or agency contract, or increase, defer or fail to pay the compensation payable or to become payable to its officers, employees, agents or consultants or grant any severance or termination pay to, (other than as required by applicable law) or enter into any employment or severance contract with any director, officer or employee of Zappos (or establish, adopt, enter into, terminate, fail to renew, or amend any employee benefit plan, collective bargaining agreement, contract, trust, fund, policy or arrangement for the benefit of any director, officer or

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employee, or pay, loan or advance any amount to, any director, officer or employee of Zappos or any of its subsidiaries, or forgive, cancel or defer any indebtedness or waive any claims or rights of material value);

enter into any contract with any related party of Zappos or any of its subsidiaries;

enter into any contract relating to or containing any marketing or joint marketing arrangements;

make any change in any method of accounting or accounting practice or policy, except as required by GAAP;

make, revoke or modify any material tax election, settle or compromise any tax liability, file any return other than on a basis consistent with past practice, enter into any agreement with a governmental body with respect to taxes or otherwise enter into a contract with respect to taxes;

pay, discharge or satisfy any liabilities other than liabilities reflected or reserved against on Zappos' balance sheet or subsequently incurred in the ordinary course of business consistent with past practice or in connection with the Merger;

cancel, compromise, waive or release any right or claim other than in the ordinary course of business consistent with past practice;

materially change the amount of any insurance coverage;

permit the lapse of any right relating to intellectual property currently used in the business of Zappos or any of its subsidiaries, or sell, transfer or encumber its intellectual property;

except in the ordinary course of business consistent with past practice, accelerate the collection of or discount any accounts receivable, delay the payment of accounts payable or defer expenses, reduce inventories or otherwise increase cash on hand;

commence or settle any claim other than (a) for the routine collection of bills, (b) in such cases where it in good faith determines that failure to commence suit would result in the material impairment of a valuable aspect of its business, or (c) for a breach of the Merger Agreement;

amend or otherwise take any action that would permit or cause any Zappos stock option to accelerate in contemplation of or as a consequence of the Merger or the other transactions contemplated by the Merger Agreement;

take any action, or intentionally fail to take any action, that would cause any representation or warranty made by Zappos in the Merger Agreement or any operative document to be untrue or result in a breach of any covenant made by Zappos in the Merger Agreement or any operative document such that the conditions precedent to the consummation of the Merger would not be satisfied, or that has or would reasonably be expected to have a material adverse effect; or

enter into any binding agreement, or otherwise make a commitment, to do any of the foregoing.

Exclusivity

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Zappos agreed that unless the Merger Agreement is terminated it would not, and would take all action necessary to ensure that none of its subsidiaries or any of their respective affiliates or representatives do not, directly or indirectly:

solicit, initiate, facilitate, knowingly encourage or accept any proposal or offer that constitutes an acquisition proposal; or

participate in any discussions, conversations, negotiations or other communications regarding, or furnish to any other person any information with respect to, or otherwise cooperate in any way, assist or participate in, facilitate or knowingly encourage the submission of, any proposal that constitutes, or would reasonably be expected to lead to, an acquisition proposal.

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Zappos further agreed that immediately following the execution and delivery of the Merger Agreement it would cease and cause to be terminated all existing discussions, conversations, negotiations and other communications with any persons conducted theretofore with respect to any of the foregoing. As used in the Merger Agreement, an acquisition proposal means any offer or proposal for, or any indication of interest in, any of the following (other than the Merger): (a) any direct or indirect acquisition, purchase, sale, lease, exchange, mortgage, pledge, transfer or other disposition of all or a portion of the capital stock of Zappos or any of its subsidiaries or any assets of Zappos or any of its subsidiaries, (b) any merger, share exchange, consolidation or other business combination relating to Zappos or any of its subsidiaries or (c) any recapitalization, reorganization or any other extraordinary business transaction involving or otherwise relating to Zappos or any of its subsidiaries.

Director and Officer Indemnification

The surviving corporation will, to the fullest extent permitted under applicable law, Zappos organizational documents or under any existing indemnification agreements, indemnify and hold harmless the present and former directors and officers of Zappos against costs and expenses and losses in connection with any claim based on the fact that any such individual is or was a director or officer of Zappos or any of its subsidiaries and arising out of or pertaining to any action or omission occurring at or prior to the effective time of the Merger (including the transactions contemplated by the Merger Agreement), and Amazon agreed it would not prohibit the surviving corporation from honoring such indemnification obligations and agreements, subject to applicable law. Pursuant to the Merger Agreement, prior to the effective time of the Merger Zappos may also elect to purchase a tail policy under Zappos existing directors and officers insurance policy, with the cost of such tail policy included in Zappos transaction expenses and therefore deducted from the number of Amazon shares issued to Zappos shareholders.

Conditions to the Consummation of the Merger

Conditions to Each Party's Obligations to Effect the Merger

The obligations of each of the parties to effect the Merger are subject to the satisfaction, at or prior to the closing, of various mutual conditions (which may, to the extent permitted by applicable law, be waived in writing by any party in its sole discretion, with such waiver only effective as to the conditions for the benefit of such party), which include the following:

no action shall have been taken, or any law shall have been enacted or deemed applicable to the transactions contemplated by the Merger Agreement, and no temporary or permanent restraining order or preliminary or permanent injunction or other order shall have been issued by any governmental body, that would prohibit the consummation of the transactions contemplated by the Merger Agreement;

the waiting period under the HSR Act applicable to the transactions contemplated by the Merger Agreement has expired or been terminated (which waiting period expired on August 31, 2009);

approval of Zappos shareholders to the adoption and approval of the Merger Agreement and the transactions contemplated thereby, including the Merger, has been obtained;

Zappos and Amazon must have received the written opinions of Fenwick & West and/or Gibson Dunn to the effect that, on the basis of the facts, representations and assumptions set forth or referred to in such opinions, the Merger will constitute a reorganization within the meaning of Section 368(a) of the Code; and

no stop-order shall have been issued or pending with respect to the registration statement on Form S-4 of which this consent solicitation/prospectus is a part.

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Conditions to Zappos' Obligation to Effect the Merger

The obligation of Zappos to effect the Merger is subject to the satisfaction of several additional conditions (any of which may be waived in writing by Zappos), including:

the representations and warranties of Amazon or Zeta Acquisition contained in the Merger Agreement and any operative document, taken as a whole, must be true and correct in all material respects, both when made and as of the Closing Date, or in the case of representations and warranties that are made as of a specified date, such representations and warranties must be true and correct in all material respects taken as a whole, as of such specified date;

Amazon and Zeta Acquisition must have materially performed all obligations and agreements and materially complied with all covenants and conditions required by the Merger Agreement or any operative document to be performed or complied with by them prior to or at the closing;

Zappos shall have received from each of Amazon and Zeta Acquisition a certificate to the effect set forth in the preceding two bullet points, signed by a duly authorized officer of each;

Zappos must have received a properly executed counterpart to each of the operative documents to which it is a party; and

Zappos must have received a legal opinion from Gibson, Dunn, addressed to Zappos and dated as of the Closing Date in the form agreed upon by Amazon and Zappos.

Conditions to Amazon's and Zeta Acquisition's Obligations to Effect the Merger

The respective obligations of Amazon and Zeta Acquisition to effect the Merger are subject to the satisfaction of several additional conditions (any of which may be waived in writing by Amazon), including:

(a) the representations and warranties of Zappos contained in the Merger Agreement and any operative document, taken as a whole, must have been true and correct in all material respects as of the date of the Merger Agreement, except that any breach or inaccuracy of certain representations and warranties relating to certain tax matters must not individually or with other breaches be reasonably expected to result in a material adverse effect; (b) the representations and warranties made by Zappos relating to organization (but only to the extent breaches or inaccuracies result from certain tax matters), approvals, conflicts, taxes, contracts, suppliers, claims and legal proceedings; government orders, intellectual property, licenses, permits, authorizations, compliance with laws and full disclosure (the Specified Representations) must be true and correct as of the Closing Date as if made on the Closing Date, except where the failure to be so true and correct has not had, and would not, individually or in the aggregate, reasonably be expected to have a material adverse effect on Zappos; and (c) the representations and warranties made by Zappos in the Merger Agreement and any operative document, taken as a whole, other than the Specified Representations, must be true and correct in all material respects as of the Closing Date as if made on the Closing Date; other than representations and warranties that were made as of a specified date, which shall have been true and correct in all material respects, taken as a whole, as of such date;

Zappos must have materially performed all obligations and agreements and materially complied with all covenants and conditions required by the Merger Agreement or any operative document to be performed or complied with by it prior to or at the closing;

Zappos must have obtained all authorizations, consents, orders and approvals from all governmental bodies and officials and all third party consents as identified and set forth on a schedule to the Merger Agreement;

no claim shall have been commenced or threatened in writing on behalf of any governmental body that, in the reasonable, good faith determination of Amazon, is reasonably likely to (a) result in the payment of monetary damages as a result of the consummation of the transactions contemplated by the Merger

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Agreement or any operative document which would not be recoverable from the indemnity escrow fund, (b) require divestiture of any assets of Amazon as a result of the transactions contemplated by the Merger Agreement or the divestiture of any assets of Zappos or any of its subsidiaries, (c) prohibit or impose limitations on Amazon's ownership or operation of all or a material portion of its or Zappos' business or assets (or those of any of its subsidiaries or affiliates) or (d) impose limitations on the ability of Amazon or its affiliates, or render Amazon or its affiliates unable, effectively to control the business, assets or operations of Zappos or its subsidiaries in any material respect;

Amazon must have received an executed counterpart to each of the operative documents to which it is a party;

Amazon must have received a legal opinion from Fenwick & West, addressed to Amazon and dated the Closing Date in the form agreed upon by Amazon and Zappos;

Amazon must have received a letter of resignation from each director of Zappos and each of its subsidiaries;

at the effective time of the Merger, not more than 15% of the total shares of Zappos common stock and Zappos preferred stock collectively shall be, or have the ability to become, dissenting shares, pursuant to the California General Corporation Law;

the Non-Competition Agreements must remain in full force and effect;

holders of at least 85% of the Zappos stock options outstanding at the effective time of the Merger, in the aggregate, must have delivered an option consent in form and substance agreed to by the parties;

Zappos must have ceased using certain intellectual property;

since the date of the Merger Agreement, no material adverse effect (as defined below) shall have occurred;

each of Anthony Hsieh, Alfred Lin and Fred Mossler must remain employed in his current position and shall not have indicated an intent to terminate his employment with Zappos; and

Amazon must have received a consideration spreadsheet detailing the outstanding capital stock and Stock Purchase Rights of Zappos, as well as identifying the merger consideration to be received by each holder of such stock or rights.

Definition of Material Adverse Effect

For the purposes of this summary and pursuant to the terms of the Merger Agreement, material adverse effect means any event, change, circumstance, occurrence, or effect that is or would reasonably be expected to be materially adverse to the business, assets, liabilities, condition (financial or otherwise), or results of operations of Zappos and its subsidiaries, taken as a whole (for which Amazon bears the burden of proof), except to the extent that any such event, change, circumstance, occurrence, or effect is caused by: (a) changes in general economic conditions (provided that such changes do not affect Zappos in a substantially disproportionate manner relative to its competitors), (b) changes affecting the industry generally in which Zappos operates (provided that such changes do not affect Zappos in a substantially disproportionate manner relative to its competitors), (c) changes in applicable laws or accounting principles after the date hereof (provided that such changes do not affect Zappos in a substantially disproportionate manner relative to its competitors), (d) the announcement or pendency of the Merger (including any cancellation of or delays in customer orders, any reduction in sales, any disruption in supplier, distributor, partner or similar relationships, but each only to the extent demonstrated to have been caused by such announcement), or (e) compliance with the terms of, or the taking of any action required by, the Merger Agreement, *provided* that Zappos bears the burden of proof that any such event, change, circumstance,

occurrence or effect was caused by any of (a) through (e).

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Termination of the Merger Agreement

The Merger Agreement may be terminated at any time before the effective time:

by mutual written consent of Amazon and Zappos;

by either Amazon or Zappos if:

the Merger has not closed by December 31, 2009. However, neither Amazon nor Zappos may terminate the Merger Agreement on this basis if the failure of the party so requesting termination to fulfill any obligation under the Merger Agreement was the cause of the failure of the Merger to be consummated on or prior to such date, provided, that the failure of any Zappos shareholder to promptly make all necessary filings and other required submissions with respect to such shareholder's acquisition of shares of Amazon common stock in connection with the Merger shall be deemed a failure by Zappos; or

any governmental body has issued an order, decree or ruling or taken any other action restraining, enjoining or otherwise prohibiting the transactions contemplated by the Merger Agreement and such order, decree, ruling or other action is final and nonappealable. However, Amazon and Zeta Acquisition (if Amazon is requesting termination on this basis) or Zappos (if Zappos is requesting termination on this basis) must have used their commercially reasonable efforts to have such order, decree, ruling or other action vacated; or an order permanently restraining, enjoining or otherwise prohibiting the Merger has been entered and becomes nonappealable.

by Zappos if:

Amazon or Zeta Acquisition breaches or fails to perform in any respect any of its representations, warranties or covenants contained in the Merger Agreement or any operative document and such breach or failure to perform (a) would give rise to the failure of a condition to Zappos' obligations to effect the Merger, (b) cannot be or has not been cured within thirty days following delivery of written notice of such breach or failure to perform and (c) has not been waived by Zappos; or

any of Zappos' conditions to effect the Merger are incapable of fulfillment prior to December 31, 2009. However, Zappos may not terminate the Merger Agreement on this basis if Zappos' failure to fulfill any obligation under the Merger Agreement was the cause of the failure of such condition to be satisfied on or prior to such date;

provided, that the failure of any Zappos shareholder to promptly make all necessary filings and other required submissions with respect to such shareholder's acquisition of shares of Amazon common stock in connection with the Merger shall be deemed a failure by Zappos.

by Amazon if:

Zappos breaches or fails to perform in any respect any of its representations, warranties or covenants contained in the Merger Agreement or any operative document and such breach or failure to perform (a) would give rise to the failure of a condition to Amazon's obligations to effect the Merger, (b) cannot be or has not been cured within thirty days following delivery of written notice of such breach or failure to perform (forty-five days in the case of a breach due to a material adverse effect) and (c) has

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not been waived by Amazon;

any of Amazon's or Zeta Acquisition's conditions to effect the Merger are incapable of fulfillment prior to December 31, 2009. However, Amazon may not terminate the Merger Agreement on this basis if Amazon's failure to fulfill any obligation under the Merger Agreement was the cause of the failure of such condition to be satisfied on or prior to such date; or

between the date of the Merger Agreement and the closing, a material adverse effect occurs and has remained continuing for at least forty-five days following written notice to Zappos by Amazon of the existence of such material adverse effect.

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Effect of Termination

If the Merger is terminated as described in the section entitled "Summary of the Merger Agreement - Termination of the Merger Agreement" above, the Merger Agreement will be void, except that for certain designated provisions of the Merger Agreement, including with respect to broker's fees and finder's fees, confidentiality, public announcements, fees and expenses, notices, third-party beneficiaries, governing law and submission to jurisdiction, and nothing will relieve either party from liability for any willful breach of the Merger Agreement prior to termination.

Fees and Expenses

All fees and expenses incurred in connection with or related to the Merger Agreement and the operative documents and the related transactions will be paid by the party incurring such fees or expenses, whether or not such transactions are consummated. However, if the Merger is consummated, all of Zappos' transaction expenses will be paid as provided in the Merger Agreement. In the event of termination of the Merger Agreement, the obligation of each party to pay its own expenses will be subject to any rights of such party arising from a breach of the Merger Agreement by the other.

Amendment

The Merger Agreement may be amended, modified or supplemented by the parties by action taken or authorized by their respective boards of directors at any time prior to the Closing Date (notwithstanding any approval by Zappos shareholders). However, the parties have agreed that after approval of the transactions contemplated by the Merger Agreement by Zappos shareholders, no amendment may be made which pursuant to applicable law requires further approval by such shareholders without such further approval.

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MATERIAL UNITED STATES FEDERAL INCOME TAX CONSIDERATIONS

The following is a general summary of the material United States federal income tax consequences of the Merger to Zappos shareholders that are United States persons. This discussion and the opinions of counsel referred to below are or will be based on the Code, the related Treasury Regulations, administrative interpretations and court decisions, all of which are subject to change, possibly with retroactive effect, as of the date of the registration statement on Form S-4 of which this consent solicitation/prospectus is a part or the date of the tax opinions, as the case may be. Any such change could affect the accuracy of the statements and the conclusions discussed below and the tax consequences of the Merger. This discussion applies only to Zappos shareholders that are United States persons who hold their shares of Zappos stock, and will hold the shares of Amazon common stock received in exchange for their shares of Zappos stock, as capital assets within the meaning of Section 1221 of the Code. This discussion does not address all federal income tax consequences of the Merger that may be relevant to particular holders, including holders that are subject to special tax rules. Some examples of holders that are subject to special tax rules are:

dealers in securities;

banks and other financial institutions;

insurance companies;

mutual funds, regulated investment companies and real estate investment trusts;

tax-exempt organizations;

holders whose shares are part of a position in a straddle or as part of a hedging, conversion or constructive sale transaction;

holders who have a functional currency other than the United States dollar;

holders who are not United States persons;

holders who own their shares indirectly through partnerships, trusts or other entities that may be subject to special treatment;

holders whose shares of Zappos stock constitute qualified small business stock as defined in Section 1202 of the Code; and

holders who acquired their shares of Zappos stock through stock options or otherwise as compensation, or through tax qualified retirement plans.

This discussion does not address any consequences arising under the laws of any state, local or foreign jurisdiction, or taxes other than income taxes (for example, estate and gift taxes). This discussion also does not address the tax consequences of transactions undertaken prior to or in connection with the Merger, including the exercise of options or the conversion of convertible stock or securities.

If a partnership or other entity treated as a partnership for United States federal income tax purposes holds shares of Zappos stock, the tax treatment of a partner generally will depend on the status of the partner and on the activities of the partnership. Partnerships (and other entities treated as partnerships) that own Zappos stock and partners of partnerships (and owners of other such entities) that hold Zappos stock should

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consult their tax advisors about the tax consequences of the Merger to them.

For purposes of this discussion, a United States person means:

a citizen or resident of the United States, as determined for United States federal income tax purposes;

a corporation or other entity taxable as a corporation created or organized under the laws of the United States or any state thereof or in the District of Columbia;

a trust, the substantial decisions of which are controlled by one or more United States persons and which is subject to the primary supervision of a United States court, or a trust that validly has elected

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under applicable Treasury Regulations to be treated as a United States person for United States federal income tax purposes; or

an estate that is subject to United States federal income tax on its income regardless of its source.

Holders of Zappos stock who are not United States persons may have different tax consequences than those described below and are urged to consult their own tax advisors regarding the tax treatment of the Merger to them under United States and non-United States tax laws.

ZAPPOS SHAREHOLDERS ARE URGED TO CONSULT THEIR OWN TAX ADVISORS AS TO SPECIFIC TAX CONSEQUENCES TO THEM OF THE MERGER, INCLUDING THE APPLICABILITY AND EFFECT OF ANY STATE, LOCAL OR FOREIGN TAX LAWS AND OF CHANGES IN APPLICABLE TAX LAWS.

Federal Income Tax Consequences of the Merger

Gibson, Dunn & Crutcher LLP and Fenwick & West LLP have rendered opinions to the effect that the Merger will constitute a reorganization within the meaning of Section 368(a) of the Code (the *Effective Date Tax Opinions*). In addition, the obligations of Amazon and Zappos to complete the Merger are conditioned upon the delivery of an opinion to Amazon and to Zappos by Gibson, Dunn & Crutcher LLP and/or Fenwick & West LLP that, for federal income tax purposes, the Merger will constitute a reorganization within the meaning of Section 368(a) of the Code (the *Closing Date Tax Opinions*). All of these opinions are based on representation letters provided by Amazon, Zeta Acquisition and Zappos and on customary factual assumptions. Accordingly, subject to the limitations and qualifications set forth below, the following are the anticipated material federal income tax consequences to Zappos shareholders who receive their shares of Amazon common stock pursuant to the Merger:

A Zappos shareholder who exchanges his or her shares of Zappos stock for Amazon common stock pursuant to the Merger will not recognize gain or loss for United States federal income tax purposes, except with respect to cash, if any, that he or she receives in lieu of a fractional share of Amazon common stock.

Each holder's aggregate tax basis in the Amazon common stock received in the Merger will be the same as his or her aggregate tax basis in the Zappos stock surrendered in the Merger, decreased by the amount of any tax basis allocable to any fractional share interest for which cash is received. The holding period of the Amazon common stock received in the Merger by a holder of Zappos stock will include the holding period of Zappos stock that he or she surrendered in the Merger. If a Zappos shareholder has differing tax bases and/or holding periods in respect of the shareholder's shares of Zappos stock, the shareholder should consult with a tax advisor in order to identify the tax bases and/or holding periods of the particular shares of Amazon common stock that the shareholder receives.

Shares of Amazon common stock held in the escrow fund and in the expense fund generally will be treated as owned by the former Zappos shareholder in respect of whom those shares were deposited into those funds, until the shares are released to Amazon or sold to pay expenses, as applicable, or until they are sold or otherwise disposed of by the former Zappos shareholder. If shares held in the escrow fund are released to Amazon, the former Zappos shareholder will be required to recompute the basis of any remaining shares owned and may be entitled to claim a loss if shares of Amazon common stock were disposed of prior to that release. If shares held in the expense fund on behalf of a former Zappos shareholder are sold to pay expenses, the former Zappos shareholder will be treated as having sold those shares and as having paid the expenses. Deductions for any loss attributable to shares of Amazon stock sold prior to the release of escrowed shares to Amazon and for expenses relating to the Merger may be subject to limitations.

A cash payment received by a Zappos shareholder in lieu of a fractional share of Amazon common stock will be treated as received in exchange for that fractional share interest, and gain or loss will be recognized for United States federal income tax purposes on the receipt of the cash payment measured by

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the difference between the amount of cash received and the portion of the tax basis of the holder's Zappos stock allocable to the fractional share interest. The gain or loss will be long-term capital gain or loss if the Zappos stock is considered to have been held for more than one year at the time of the exchange.

If any of the representations or assumptions on which the Effective Date Tax Opinions or Closing Date Tax Opinions are based proves to be incorrect, the federal income tax consequences of the Merger may be adversely affected. The opinions of counsel will not bind the courts, nor will they preclude the Internal Revenue Service from adopting a position contrary to those expressed in the opinions. Neither Amazon nor Zappos intends to obtain a ruling from the Internal Revenue Service with respect to the federal income tax consequences of the Merger.

Recordkeeping, Information Reporting and Backup Withholding

A United States person who receives shares of Amazon common stock as a result of the Merger will be required to retain records pertaining to the Merger. Each United States person who is required to file a United States federal income tax return and who is a significant holder that receives shares of Amazon common stock generally will be required to file a statement with such holder's United States federal income tax return setting forth the names and employer identification numbers of Amazon and Zappos, the date of the Merger, and such holder's tax basis and fair market value of the Zappos stock surrendered in the Merger. A significant holder is a United States person who immediately before the Merger owned either (i) at least 1% (by vote or value) of the outstanding stock of Zappos or (ii) securities of Zappos with a tax basis of \$1.0 million or more and received Amazon common stock in the Merger.

Certain United States persons may be subject to information reporting with respect to the cash received in lieu of a fractional share of Amazon common stock. United States persons who are subject to information reporting and who do not provide appropriate information when requested may also be subject to backup withholding, currently at a rate of 28%, as well as penalties. Any amount withheld under the backup withholding rules is not an additional tax and may be refunded or credited against such United States holder's federal income tax liability, provided that the required information is properly furnished in a timely manner to the Internal Revenue Service.

RIGHTS OF DISSENTING SHAREHOLDERS

Dissenters' Rights

If the Merger Agreement is approved by the required vote of Zappos shareholders and is not abandoned or terminated, holders of Zappos common stock and preferred stock who did not approve the Merger via written consent may, by complying with Sections 1300 through 1313 of the California General Corporation Law, be entitled to dissenters' rights as described therein and receive cash for the fair market value of their Zappos common and preferred stock. The record holders of the shares of Zappos common stock and preferred stock that are eligible to, and do, exercise their dissenters' rights with respect to the Merger are referred to herein as dissenting shareholders, and the shares with respect to which they exercise dissenters' rights are referred to herein as dissenting shares.

The following discussion is not a complete statement of the law pertaining to dissenters' rights under the California General Corporation Law and is qualified in its entirety by reference to Sections 1300 through 1313 of the California General Corporation Law, the full text of which are attached to this consent solicitation/prospectus as *Appendix B* and incorporated herein by reference. *Appendix B* should be reviewed carefully by any Zappos shareholder who wishes to exercise dissenters' rights or who wishes to preserve the right to do so, since failure to comply with the procedures of the relevant statute will result in the loss of dissenters' rights.

ANY HOLDER OF ZAPPOS COMMON STOCK OR PREFERRED STOCK WISHING TO EXERCISE DISSENTERS' RIGHTS IS URGED TO CONSULT LEGAL COUNSEL BEFORE ATTEMPTING TO EXERCISE SUCH RIGHTS.

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Shares of Zappos stock must satisfy each of the following requirements to qualify as dissenting shares under California law:

the shares of Zappos common stock or preferred stock must have been outstanding on September 25, 2009;

the shares of Zappos stock must not have approved the Merger via written consent;

the holder of such shares of Zappos stock must make a written demand that Zappos repurchase such shares of Zappos capital stock at fair market value (as described below); and

the holder of such shares of Zappos common stock or preferred stock must submit certificates for endorsement (as described below). Refusal to approve the Merger by written consent does not in and of itself constitute a demand for appraisal under California law.

Pursuant to Sections 1300 through 1313 of the California General Corporation Law, holders of dissenting shares may require Zappos to repurchase their dissenting shares at a price equal to the fair market value of such shares determined as of the day before the first announcement of the terms of the Merger, excluding any appreciation or depreciation as a consequence of the proposed Merger, but adjusted for any stock split, reverse stock split or stock dividend that becomes effective thereafter.

Within ten days following approval of the Merger by Zappos shareholders, Zappos is required to mail a dissenters' notice to each person who did not vote in favor of the Merger. The dissenters' notice must contain the following:

a notice of the approval of the Merger;

a statement of the price determined by Zappos to represent the fair market value of dissenting shares (which shall constitute an offer by Zappos to purchase such dissenting shares at such stated price unless such shares lose their status as dissenting shares under Section 1309 of the California General Corporation Law);

a brief description of the procedures for such holders to exercise their rights as dissenting shareholders; and

a copy of Sections 1300 through 1304 of Chapter 13 of the California General Corporation Law
Within 30 days after the date on which the notice of the approval of the Merger by the outstanding shares is mailed to dissenting shareholders, a dissenting shareholder must:

demand that Zappos repurchase such shareholder's dissenting shares;

include in that demand the number and class of dissenting shares held of record by such dissenting shareholder that the dissenting shareholder demands that Zappos purchase;

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include in that demand a statement of what such dissenting shareholder claims to be the fair market value of the dissenting shares as of the day before the announcement of the proposed Merger. The statement of fair market value constitutes an offer by the dissenting shareholder to sell the dissenting shares at such price; and

submit to Zappos certificates representing any dissenting shares that the dissenting shareholder demands Zappos purchase, so that such dissenting shares may either be stamped or endorsed with the statement that the shares are dissenting shares or exchanged for certificates of appropriate denomination so stamped or endorsed. The demand, statement and Zappos certificates should be delivered to:

Zappos.com, Inc.

Attn: Secretary of Zappos.com, Inc.

2280 Corporate Circle, Suite 100

Henderson, NV 89074

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If upon the dissenting shareholder's surrender of the certificates representing the dissenting shares, Zappos and a dissenting shareholder agree upon the price to be paid for the dissenting shares and agree that such shares are dissenting shares, then the agreed price is required by law to be paid (with interest thereon at the legal rate on judgments from the date of the agreement) to the dissenting shareholder within the later of 30 days after the date of such agreement or 30 days after any statutory or contractual conditions to the completion of the Merger are satisfied.

If Zappos and a dissenting shareholder disagree as to the price for such dissenting shares or disagree as to whether such shares are entitled to be classified as dissenting shares, such holder has the right to bring an action in California Superior Court of the proper county, within six months after the date on which the notice of the shareholders' approval of the Merger is mailed, to resolve such dispute. In such action, the court will determine whether the shares of Zappos common stock and preferred stock held by such shareholder are dissenting shares, the fair market value of such shares of Zappos common stock and preferred stock, or both.

In determining the fair market value of the dissenting Zappos shares, the court may appoint one or more impartial appraisers to make the determination. Within a time fixed by the court, the appraiser, or a majority of them, will make and file a report with the court. If the appraisers cannot determine the fair market value within ten days of their appointment, or within a longer time determined by the court, or the court does not confirm their report, then the court will determine the fair market value. The costs of the appraisal action, including reasonable compensation to the appraisers appointed by the court, will be allocated between Zappos and dissenting shareholder(s) as the court deems equitable. However, if the appraisal of the fair market value of Zappos shares exceeds the price offered by Zappos in the notice of approval, then Zappos shall pay the costs. If the fair market value of the shares awarded by the court exceeds 125% of the price offered by Zappos, then the court may in its discretion impose additional costs on Zappos, including attorneys' fees, fees of expert witnesses and interest.

Zappos shareholders considering whether to exercise dissenters' rights should consider that the fair market value of their Zappos common stock and preferred stock determined under Chapter 13 of the California General Corporation Law could be more than, the same as or less than the value of merger consideration to be paid in connection with the Merger, as set forth in the Merger Agreement. Also, Zappos reserves the right to assert in any appraisal proceeding that, for purposes thereof, the fair market value of Zappos common stock and preferred stock is less than the value of the merger consideration to be issued and paid in connection with the Merger, as set forth in the Merger Agreement.

Strict compliance with certain technical prerequisites is required to exercise dissenters' rights. Zappos shareholders wishing to exercise dissenters' rights should consult with their own legal counsel in connection with compliance with Chapter 13 of the California General Corporation Law. Any Zappos shareholder who fails to comply with the requirements of Chapter 13 of the California General Corporation Law, attached as *Appendix B* to this consent solicitation/prospectus, will forfeit the right to exercise dissenters' rights and will, instead, receive the merger consideration to be issued and paid in connection with the Merger, as set forth in the Merger Agreement.

Zappos shareholders should be aware that California law provides, among other things, that a dissenting shareholder may not withdraw the demand for payment of the fair market value of dissenting shares unless Zappos consents to such request for withdrawal.

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THE COMPANIES

Amazon

General. Amazon.com, Inc., a Delaware corporation, seeks to be Earth's most customer-centric company for its three primary customer sets: consumer customers, seller customers and developer customers. Amazon serves its consumer customers through retail websites and focus on selection, price and convenience. Amazon designs its websites to enable millions of unique products to be sold by Amazon and by third parties across dozens of product categories. Amazon serves its seller customers by offering programs that enable sellers to sell their products on Amazon's websites and their own branded websites and to fulfill orders through Amazon. Amazon serves developer customers through Amazon Web Services, which provides access to technology infrastructure that developers can use to enable virtually any type of business. Amazon's common stock is traded on the NASDAQ Global Select Market under the symbol "AMZN". Amazon's principal executive office is located at 1200 12th Avenue South, Suite 1200, Seattle, Washington 98144-2734 and its telephone number is (206) 266-1000.

Additional Information about Amazon. Financial and other information about Amazon is set forth in Amazon's Annual Report on Form 10-K for the year ended December 31, 2008. Information regarding the names, ages, positions and backgrounds of the executive officers and directors of Amazon, as well as additional information, including executive compensation, security ownership of certain beneficial owners and management, and certain relationships and related transactions, is set forth in or incorporated by reference into Amazon's Annual Report on Form 10-K for the year ended December 31, 2008 and Amazon's Proxy Statement for its 2009 Annual Meeting of Shareholders. See "Where You Can Find More Information" on page 87.

Zappos

General. Zappos, a California corporation, is an online retailer that sells apparel, shoes, handbags, eyewear, watches, electronics and other products. Established in 1999, Zappos has quickly become one of the leaders in online apparel and footwear by striving to provide shoppers with the best possible service and selection. The principal executive office of Zappos is located at 2280 Corporate Circle Drive, Suite 100, Henderson, Nevada 89074, and its telephone number is (702) 943-7677.

Market Prices of and Dividends on Zappos Common and Preferred Stock. Zappos common stock is not listed on an exchange or quoted on any automated services, and there is no established trading market for shares of Zappos common stock or preferred stock. Zappos common stock is held by approximately 144 shareholders of record. Zappos preferred stock is held by approximately forty-five shareholders of record. Zappos does not have a policy of paying regular dividends on its common stock or preferred stock, and has never done so.

Table of Contents**PRINCIPAL SHAREHOLDERS OF ZAPPOS**

The following table sets forth information as of August 31, 2009, regarding beneficial ownership of the common and preferred stock of Zappos by (i) the persons known by Zappos to beneficially own 5% or more of its shares; (ii) Zappos executive officers and directors; and (iii) Zappos executive officers and directors as a group. As of August 31, 2009 there were 21,469,674 shares of Zappos common stock issued and outstanding and 23,747,180 shares of Zappos preferred stock issued and outstanding. To Zappos knowledge, the persons named in the table have sole voting and investment power with respect to all shares of Zappos stock shown as beneficially owned by them, subject to community property laws where applicable and the information contained in the footnotes to this table. In light of the voting requirements to approve the Merger and adopt and approve the Merger Agreement and the transactions contemplated thereby, the following table in addition sets forth information on the beneficial ownership of the common and preferred stock of Zappos by such persons, assuming that none of the outstanding preferred stock is converted into common stock. Unless otherwise indicated, the address of each of the individuals named below is: c/o Zappos.com, Inc., 2280 Corporate Circle, Suite 100, Henderson Nevada, 89074.

Name and Address of Beneficial Owner	Shares of Common Stock Beneficially Owned (1)	Percentage of Common Stock Beneficially Owned (1)	Shares of Common Stock Beneficially Owned Excluding Convertible Preferred Stock (2)	Percentage of Common Stock Beneficially Owned Excluding Convertible Preferred Stock (2)	Shares of Preferred Stock Beneficially Owned (3)	Percentage of Preferred Stock Beneficially Owned (3)
5% Shareholders						
Sequoia Capital	6,357,865	22.8%			6,357,865(4)	26.8%
Nick Swinmurn	2,400,029	11.2%	2,400,029(5)	11.2%		
Venture Frogs	11,451,199	39.9%	4,250,000(6)	19.8%	7,201,199(7)	27.4%
Goldman Sachs	1,600,000	7.5%	1,600,000(8)	7.5%		
Directors and Executive Officers						
Anthony Hsieh	26,503,423	69.3%	10,350,000(9)	46.9%	16,153,423(10)	61.4%
Alfred Lin	12,717,199	42.6%	5,516,000(11)	24.4%	7,201,199(12)	27.4%
Michael Marks	791,111	3.6%	130,000(13)	*	661,111(14)	2.8%
Ann Mather	150,000	**	150,000(15)	*		
Frederick Mossler	713,000	3.3%	713,000(16)	3.3%		
Michael Moritz	6,357,865	22.8%			6,357,865(17)	26.8%
All Executive Officers and Directors as a group (6 persons)						
	35,781,399	76.0%	12,609,000(18)	52.8%	23,172,399(19)	88.1%

* Amount represents less than 1% of outstanding shares of Zappos common stock.

** Amount represents less than 1% of outstanding shares of Zappos common stock and preferred stock convertible to common stock.

- (1) Beneficial ownership is determined in accordance with the rules of the SEC and includes shares of common stock issuable upon exercise of stock options exercisable within 60 days of August 31, 2009 and shares of common stock issuable upon conversion of outstanding preferred stock and an outstanding Series B Warrant. For purposes of calculating percentage beneficially owned, shares of common stock issuable under such options, upon conversion of such preferred stock and under the Series B Warrant are deemed outstanding and beneficially owned by the person holding such stock options, preferred stock and/or warrant (or by all persons for ownership as a group) for purposes of computing such person's percentage ownership, but are not deemed outstanding for the purpose of computing the percentage ownership of any other person.

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- (2) Beneficial ownership includes shares of common stock issuable upon exercise of stock options exercisable within 60 days of August 31, 2009, but excludes shares of common stock issuable upon conversion of

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outstanding preferred stock and shares issuable under the Series B Warrant. For purposes of calculating percentage beneficially owned, shares of common stock issuable under such stock options are deemed outstanding and beneficially owned by the person holding such stock options (or by all such persons for ownership as a group) for purposes of computing such person's percentage ownership, but are not deemed outstanding for the purpose of computing the percentage ownership of any other person.

- (3) Percentage based on aggregate number of shares outstanding of Zappos Series A, Series B, Series C, Series D, Series E and Series F preferred stock and upon exercise of the Series B Warrant when applicable. Shares of Zappos Series B preferred stock issuable upon exercise of the Series B Warrant are deemed outstanding and beneficially owned by the person holding such warrant for purposes of computing such person's percentage ownership, but are not deemed outstanding for the purpose of computing the percentage ownership of any other person. Sequoia Capital and Zvest, described in footnotes (4) and (14), respectively, together hold all of the 7,018,976 outstanding shares of Zappos Series E and Series F preferred stock.
- (4) Represents 2,284,128 shares of preferred stock held by Sequoia Capital Franchise Fund and 311,472 shares of preferred stock held by Sequoia Capital Franchise Partners (the Franchise Funds); 953,268 shares of preferred stock held by Sequoia Capital IX and 80,642 shares of preferred stock held by Sequoia Capital Entrepreneurs Annex Fund (the Capital Funds); 1,808,184 shares preferred stock held by Sequoia Capital Growth Fund III, 88,550 shares preferred stock held by Sequoia Capital Growth III Principals Fund and 19,933 shares of preferred stock held by Sequoia Capital Growth Partners III (the Growth Funds); and 58,685 shares of preferred stock held by Sequoia Capital X Principals Fund, 658,198 shares of preferred stock held by Sequoia Capital X and 94,805 shares of preferred stock held by Sequoia Technology Partners X (the Sequoia X Funds). SCFF Management, LLC (SCFF) is the general partner of the Franchise Funds. Michael Moritz, Douglas M. Leone, Mark A. Stevens and Michael L. Goguen are the managing members of SCFF and may be deemed to share voting and investment power over the shares held by the Franchise Funds. Messrs. Moritz, Douglas, Stevens and Goguen disclaim beneficial ownership of the shares held by the Franchise Funds except to the extent of their respective pecuniary interests therein. SC IX.I Management, LLC (SC IX) is the general partner of the Capital Funds and SC X Management, LLC (SC X) is the general partner of the Sequoia X Funds. Messrs. Moritz, Leone, Stevens, Goguen and Mark O. Kvamme are the managing members of SC IX and SC X and may be deemed to share voting and investment power over the shares held by the Capital Funds and the Sequoia X Funds. Messrs. Moritz, Douglas, Stevens, Goguen and Kvamme disclaim beneficial ownership of the shares held the Capital Funds and the Sequoia X Funds except to the extent of their respective pecuniary interests therein. SCGF III Management, LLC (SCGF) is general partner of the Growth Funds. Messrs. Moritz, Leone, Goguen, Kvamme, Jim Goetz, Scott Carter and Roelof Botha are the managing members of SCGF and may be deemed to share voting and investment power over the shares held by the Growth Funds. Messrs. Moritz, Leone, Goguen, Kvamme, Goetz, Carter and Botha disclaim beneficial ownership of the shares held by the Growth Funds except to the extent of their respective pecuniary interests therein. The address for Sequoia Capital is 3000 Sand Hill Road, Building 4, Suite 180, Menlo Park, California 94025.
- (5) Includes 8,282 shares held by Nick Swinmurn's spouse, Gabriela Valdovinos Swinmurn. Mr. Swinmurn may be deemed to share voting and investment power over the shares held by Mrs. Swinmurn.
- (6) Represents 4,250,000 shares of common stock held by Venture Frogs Incubator I, LLC (the Incubator). Venture Frogs, LLC (Venture Frogs) is the managing member of the Incubator. Anthony Hsieh and Alfred Lin are the managing members of Venture Frogs and may be deemed to share voting and investment power over the shares held by the Incubator. Messrs. Hsieh and Lin disclaim beneficial ownership of these shares except to the extent of their respective pecuniary interests therein. The address for Venture Frogs is c/o Venture Frogs, LLC, 2280 Corporate Circle #100, Henderson, Nevada 89074.
- (7) Represents 4,514,499 shares of preferred stock held by Venture Frogs Fund I, LLC (the Fund); 66,423 shares of preferred stock held by Venture Frogs Incubator I, LLC (the Incubator); 55,221 shares of preferred stock held by Venture Frogs, LLC (Venture Frogs); and 2,565,056 shares of preferred stock issuable upon exercise of a warrant held by the Fund. Messrs. Hsieh and Lin are the managing members of

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Venture Frogs and share voting and investment power over the shares held by Venture Frogs. Venture Frogs is the managing member of the Fund and the Incubator. Messrs. Hsieh and Mr. Lin may be deemed to share voting and investment power over the shares held by the Fund and the Incubator and disclaim beneficial ownership of these shares except to the extent of their respective pecuniary interests therein.

- (8) Represents 1,280,000 shares of common stock held by Goldman, Sachs & Co. and 320,000 shares held by Goldman Sachs Investment Partners Master Fund, L.P. (the Master Fund) Goldman Sachs Investment Partners GP, LLC is the general partner of the Master Fund and has voting and investment power over the shares held by the Master Fund. The address for these entities is 85 Broad Street, 27th Floor, New York, New York, 10004.
- (9) Includes 600,000 shares of common stock issuable upon exercise of outstanding options exercisable within 60 days of August 31, 2009 and 4,250,000 shares of common stock held by the Incubator that Mr. Hsieh may be deemed to beneficially own, as described in footnotes (6) and (7).
- (10) Represents 8,952,224 shares of preferred stock held by Mr. Hsieh and 7,201,199 shares of preferred stock held by Venture Frogs, the Fund and the Incubator that Mr. Hsieh may be deemed to beneficially own, as described in footnote (7).
- (11) Includes 1,150,000 shares of common stock issuable upon exercise of outstanding options exercisable within 60 days of August 31, 2009 and 4,250,000 shares of common stock held by the Incubator that Mr. Lin may be deemed to beneficially own, as described in footnotes (6) and (7).
- (12) Represents 7,201,199 shares of preferred stock held by Venture Frogs, the Fund and the Incubator that Mr. Lin may be deemed to beneficially own, as described in footnote (7).
- (13) Represents 130,000 shares of common stock issuable upon exercise of outstanding options exercisable within 60 days of August 31, 2009. The address for Mr. Marks is c/o Zvest, LLC, 70 Willow Road, Suite 100, Menlo Park, California 94025.
- (14) Represents 661,111 shares of preferred stock held by Zvest, LLC. Mr. Marks is the Chief Executive Officer of Zvest, LLC and shares voting and investment power over the shares of preferred stock held by Zvest, LLC.
- (15) Represents 150,000 shares of common stock issuable upon exercise of outstanding options exercisable within 60 days of August 31, 2009.
- (16) Includes 400,000 shares of common stock issuable upon exercise of outstanding options exercisable within 60 days of August 31, 2009.
- (17) Represents 6,357,865 shares of preferred stock held by Sequoia Capital that may be deemed to be beneficially owned by Mr. Moritz, as described in footnote (4). Mr. Moritz disclaims beneficial ownership of these shares except to the extent of his direct pecuniary interest therein. The address for Mr. Moritz is c/o Sequoia Capital, 3000 Sand Hill Road, Building 4, Suite 180, Menlo Park, California 94025.
- (18) Includes 2,430,000 shares of common stock held by all executive officers and directors as a group issuable upon exercise of outstanding options exercisable within 60 days of August 31, 2009 and 4,250,000 shares of common stock held by the Incubator that may be deemed to be beneficially owned by Messrs. Hsieh and Lin as described in footnotes (6) and (7).

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- (19) Includes 7,201,199 shares of preferred stock held by Venture Frogs, the Fund and the Incubator that may be deemed to be beneficially owned by Messrs. Hsieh and Lin as described in footnote (7); 661,111 shares of preferred stock held by Zvest, LLC that may be deemed to be beneficially owned by Mr. Marks, as described in footnote (14); and 6,357,865 shares of preferred stock held by Sequoia Capital that may be deemed to be beneficially owned by Mr. Moritz, as described in footnote (4).

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COMPARISON OF RIGHTS OF SHAREHOLDERS

This section of the consent solicitation/prospectus describes the material differences between the rights of holders of Zappos capital stock and holders of Amazon common stock. While Amazon and Zappos believe that the description covers the material differences between the two, this summary may not contain all of the information that is important to you. You should carefully read this entire document and the other documents we refer to for a more complete understanding of the differences between being a shareholder of Zappos and being a shareholder of Amazon.

Upon consummation of the Merger, the holders of issued and outstanding Zappos common stock and preferred stock will be entitled to receive Amazon common stock. The rights of the holders of Amazon common stock are governed by Amazon’s Certificate of Incorporation, Amazon’s Bylaws and Delaware General Corporation Law, while the rights of holders of Zappos common stock and preferred stock are generally governed by Zappos’ Articles of Incorporation, Zappos’ Bylaws and California law.

If you are a holder of shares of Zappos preferred stock, you will be receiving shares of Amazon common stock in exchange for your shares of Zappos preferred stock. As such, there are certain rights you will be foregoing as a holder of Zappos preferred stock (which may further vary depending upon which series of Zappos preferred stock you hold), including, without limitation, liquidation preferences, antidilution protection, the right to vote as a separate class and to elect one or more directors, certain protective provisions that may require your consent before various corporate actions are taken, the right to accrued dividends, and preemptive rights.

Although it is impractical to compare all aspects in which Delaware law and California law and Amazon’s and Zappos’ governing documents differ with respect to rights of shareholders, the following is a brief discussion summarizing certain differences between them.

	Amazon Shareholder Rights	Zappos Shareholder Rights
Authorized Capital Stock	The authorized capital stock of Amazon consists of 5,500,000,000 shares, of which 5,000,000,000 are common stock, \$.01 par value, and 500,000,000 are preferred stock, \$.01 par value.	The authorized capital stock of Zappos consists of 95,997,223 shares, of which 60,000,000 are common stock, \$0.001 par value, and 35,997,223 are preferred stock, \$0.001 par value.
Number and Classification of Directors	Amazon’s Bylaws state that the number of directors shall be as fixed by resolution of the Amazon Board. Currently there are eight (8) directors and the Amazon Board is not classified.	Zappos’ Bylaws state that the number of directors shall be as fixed by the Zappos Board but shall not be less than three (3) nor more than five (5) so long as Zappos has more than two shareholders.
		Under Zappos’ Articles of Incorporation, the size of the Zappos Board cannot be increased or decreased without the affirmative vote or written consent of more than fifty percent of the outstanding Zappos Series E and Series F preferred shares (adjusted for any subdivision, combinations, consolidations, stock distributions or stock dividends) voting together on an as-converted basis, and so long as there

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