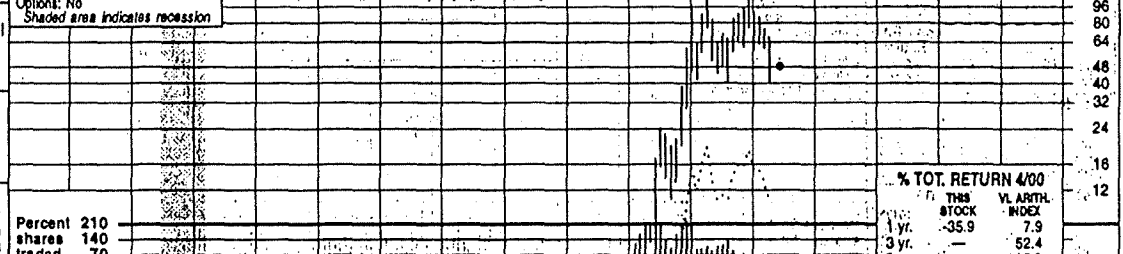


TIMELINESS 3 New 12/3/99
SAFETY 4 New 3/6/98
TECHNICAL 2 Raised 1/21/00
BETA 1.55 (1.00 = Market)

| | | | | | | | | | |
|------|-----|------|-------|------|--|--------------------|------|------|------|
| High | 5.5 | 60.3 | 113.0 | 91.5 | | Target Price Range | 2003 | 2004 | 2005 |
| Low | 1.3 | 4.1 | 41.0 | 40.4 | | | | | |



2003-05 PROJECTIONS

| | | |
|----------|---------|--------------------|
| Price | Gain | Ann'l Total Return |
| High 135 | (+175%) | 29% |
| Low 80 | (+65%) | 13% |

Insider Decisions

| | | | | | | | | | |
|---------|---|---|---|---|---|---|---|---|---|
| | J | A | S | O | N | D | J | F | M |
| to Buy | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Options | 1 | 2 | 0 | 0 | 4 | 0 | 0 | 2 | 0 |
| to Sell | 1 | 1 | 0 | 0 | 7 | 0 | 0 | 2 | 0 |

Institutional Decisions

| | | | | | |
|------------|--------|--------|--------|---------|-----|
| | 201999 | 301999 | 401999 | Percent | 210 |
| to Buy | 121 | 146 | 140 | shares | 140 |
| to Sell | 127 | 87 | 123 | traded | 70 |
| (Mk'g'000) | 80187 | 86588 | 84443 | | |

Since starting up in July, 1995, Amazon.com has risen from relative obscurity to become one of the world's largest booksellers. Customers enter the virtual store through the company's web site to purchase books, CDs and videotapes. Shoppers can also conduct targeted searches, browse from among highlighted selections, bestsellers and other features, read and post reviews, register for free personalized services, participate in promotions, and check order status. On May 15, 1997, Amazon.com went public with an IPO of 3.0 million shares at \$18.00 each (pre-splits).

CAPITAL STRUCTURE as of 3/31/00:
 Total Debt \$2160.0 mill. Due in 5 Yrs \$20.0 mill.
 LT Debt \$2144.0 mill. LT Interest \$125.0 mill.
 Incl. \$1250.0 mill. in 4 3/4% sub. debts. (2009) each conv. into AMZN stock at \$156.05; Euro 690 mill. in 6 7/8% sub. debts. (2010) each conv. at 104.947.
 Also incl. \$.1 mill. capitalized leases.
 (Interest not earned.) (99% of Cap'l)
 Leases, Uncapitalized None
 Common Stock 349,959,000 shs. (1% of Cap'l)
MARKET CAP: \$17.1 billion (Large Cap)

CURRENT POSITION 1998 1999 3/31/00 (\$MILL)

| | | | |
|---------------------|-------|--------|--------|
| Cash Assets | 373.4 | 706.2 | 1008.9 |
| Inventory (Avg Cst) | 29.5 | 220.6 | 172.3 |
| Other | 21.4 | 85.4 | 89.7 |
| Current Assets | 424.3 | 1012.2 | 1270.9 |
| Accts Payable | 113.3 | 463.0 | 255.8 |
| Debt due | 7.7 | 14.3 | 16.0 |
| Other | 47.6 | 261.6 | 1865.2 |
| Current Liab. | 161.6 | 738.9 | 2137.0 |

ANNUAL RATES Past 10 Yrs. Past 5 Yrs. Est'd '97-'99 to '03-'05

| | | | |
|-------------|-----|-----|-------|
| Revenues | ... | ... | 45.5% |
| "Cash Flow" | ... | ... | NMF |
| Earnings | ... | ... | NMF |
| Dividends | ... | ... | Nil |
| Book Value | ... | ... | NMF |

QUARTERLY REVENUES (\$ mill.)

| Cal-endar | Mar.31 | Jun.30 | Sep.30 | Dec.31 | Full Year |
|-----------|--------|--------|--------|--------|-----------|
| 1997 | 16.0 | 27.9 | 37.9 | 66.0 | 147.8 |
| 1998 | 87.4 | 116.0 | 153.7 | 252.9 | 610.0 |
| 1999 | 293.6 | 314.4 | 355.8 | 676.0 | 1639.8 |
| 2000 | 573.9 | 655 | 700 | 1151.1 | 3080 |
| 2001 | 920 | 1000 | 1030 | 1630 | 4580 |

EARNINGS PER SHARE

| Cal-endar | Mar.31 | Jun.30 | Sep.30 | Dec.31 | Full Year |
|-----------|--------|--------|--------|--------|-----------|
| 1997 | d.01 | d.03 | d.03 | d.04 | d.11 |
| 1998 | d.04 | d.06 | d.08 | d.07 | d.25 |
| 1999 | d.12 | d.28 | d.26 | d.55 | d1.19 |
| 2000 | d.35 | d.35 | d.32 | d.28 | d1.30 |
| 2001 | d.22 | d.19 | d.16 | d.03 | d.60 |

QUARTERLY DIVIDENDS PAID

| Cal-endar | Mar.31 | Jun.30 | Sep.30 | Dec.31 | Full Year |
|-----------|--------|--------|--------|--------|-----------|
| 1996 | | | | | |
| 1997 | | | | | |
| 1998 | | | | | |
| 1999 | | | | | |
| 2000 | | | | | |
| 2001 | | | | | |

NO CASH DIVIDENDS BEING PAID

| | 1990 | 1991 | 1992 | 1993 | 1994 | 1995 | 1996 | 1997 | 1998 | 1999 | 2000 | 2001 | VALUE LINE PUB., INC. | 03-05 |
|-------------------------|------|------|------|------|------|--------|--------|--------|--------|--------|--------|--------|-----------------------|--------|
| Revenues per sh | .. | .. | .. | .. | .. | .00 | .07 | .51 | 1.92 | 4.75 | 8.55 | 12.40 | 24.00 | 24.00 |
| "Cash Flow" per sh | .. | .. | .. | .. | .. | .00 | d.02 | d.08 | d.20 | d1.02 | d1.80 | d.10 | 1.85 | 1.85 |
| Earnings per sh | .. | .. | .. | .. | .. | .00 | d.02 | d.11 | d.25 | d1.19 | d1.30 | d.60 | 1.65 | 1.65 |
| Div'ds Decl'd per sh | .. | .. | .. | .. | .. | .. | .. | .. | .. | .. | Nil | Nil | Nil | Nil |
| Cap'l Spending per sh | .. | .. | .. | .. | .. | .00 | .01 | .03 | .09 | .83 | .30 | .15 | .15 | .15 |
| Book Value per sh | .. | .. | .. | .. | .. | .01 | .01 | .10 | .44 | .77 | d.60 | d1.25 | 1.40 | 1.40 |
| Common Shs Outst'g | .. | .. | .. | .. | .. | 174.66 | 231.80 | 287.25 | 318.53 | 345.16 | 360.00 | 370.00 | 400.00 | 400.00 |
| Avg Ann'l P/E Ratio | .. | .. | .. | .. | .. | .. | .. | .. | NMF | NMF | NMF | NMF | 65.0 | 65.0 |
| Relative P/E Ratio | .. | .. | .. | .. | .. | .. | .. | .. | NMF | NMF | NMF | NMF | 4.35 | 4.35 |
| Avg Ann'l Div'd Yield | .. | .. | .. | .. | .. | .. | .. | .. | .. | .. | .. | .. | Nil | Nil |
| Revenues (\$mill) | .. | .. | .. | .. | .. | .5 | 15.7 | 147.8 | 610.0 | 1639.8 | 3080 | 4580 | 9600 | 9600 |
| Operating Margin | .. | .. | .. | .. | .. | 0 | 3 | 3.4 | 9.7 | 36.8 | 70.0 | 80.0 | 6.5% | 6.5% |
| Depreciation (\$mill) | .. | .. | .. | .. | .. | d.3 | d5.8 | d27.6 | d74.4 | d389.8 | d475 | d240 | 95.0 | 95.0 |
| Net Profit (\$mill) | .. | .. | .. | .. | .. | .. | .. | .. | .. | .. | .. | .. | 650 | 650 |
| Income Tax Rate | .. | .. | .. | .. | .. | .. | .. | .. | .. | .. | .. | .. | Nil | Nil |
| Net Profit Margin | .. | .. | .. | .. | .. | .. | .. | .. | .. | .. | .. | .. | 6.8% | 6.8% |
| Working Cap'l (\$mill) | .. | .. | .. | .. | .. | .9 | 2.2 | 193.5 | 262.7 | 273.3 | 390 | 180 | 1300 | 1300 |
| Long-Term Debt (\$mill) | .. | .. | .. | .. | .. | .. | .. | .. | .. | .. | .. | .. | 2100 | 2100 |
| Shr. Equity (\$mill) | .. | .. | .. | .. | .. | 1.0 | 3.4 | 28.5 | 138.7 | 266.3 | d215 | d450 | 550 | 550 |
| Return on Total Cap'l | .. | .. | .. | .. | .. | .. | .. | .. | .. | .. | .. | .. | 27.5% | 27.5% |
| Return on Shr. Equity | .. | .. | .. | .. | .. | .. | .. | .. | .. | .. | .. | .. | NMF | NMF |
| Retained to Com Eq | .. | .. | .. | .. | .. | .. | .. | .. | .. | .. | .. | .. | NMF | NMF |
| All Div'ds to Net Prof | .. | .. | .. | .. | .. | .. | .. | .. | .. | .. | .. | .. | Nil | Nil |

BUSINESS: Amazon.com is a large online retailer. It primarily sells books (2.5 million titles). Recently added music, videos, and other items to the list. Also just launched auction business. Book supply is concentrated; Ingram accounts for 40% of sales. Acquired Inter-net Movie Database, Bookpages, Telebook, Q2'98; Jungle and PlanetAll, Q3'98; equity stakes in Drugstore.com (46%) and Pets.com (50%), Q1'99; Exchange.com, Accept.com, and Alexa, Q2'99. Has 8.4 million customers in over 100 countries. Has about 2,100 employees. Off/di. own: 35.7% of stock, incl. Bezos' 33.8% stake (3/00 proxy); President, Chairman, & CEO: Jeffrey Bezos. Inc.: Delaware; Address: 1516 2nd Ave., 4th floor, Seattle, WA 98101; Tel: 206-822-2335. Internet: www.amazon.com.

Amazon's top line should continue to make strong advances this year and next. Customer accounts are still increasing at an impressive rate. The online retailer added 3.1 million customers in the March quarter, versus the December period, to over 20 million accounts. What's more, 76% of transactions are from repeat customers, versus 45% a year ago, indicating high and accelerating loyalty to Amazon's brand name. We are looking for similar customer-account increases through 2000 and 2001, which should lift the top line almost 90% and 50%, respectively.

Amazon continues to demonstrate its ability to extend its brand name with the success of additional product areas. A recent study indicates that Amazon name is well-known to even those who have never surfed the Web. This kind of brand recognition has proven invaluable to the company's expansion efforts. Recently opened kitchen and hardware "stores" are meeting with success. Increasingly, though, we look for the online retailer to branch into new areas via partnerships, such as with Drugstore.com.

(health & beauty), Living.com (furniture), and WineShopper.com (wine). Amazon doesn't get a piece of the revenue stream. Rather, it receives set payments over the course of the contract in exchange for the exclusive arrangement. (AMZN also typically takes an equity stake in its partner companies, so there is a potential benefit there, too, in the form of capital appreciation.) This type of deal has worked very well for AOL, and we believe it will for Amazon, as well.

Strong brand strength will come at a cost. AMZN plans to step up its spending on marketing to further strengthen its market position. While the bottom line will undoubtedly suffer from poorer margins this year, we believe that the company's decision is necessary to keep encroaching online players at a safe distance.

Amazon shares' risk-to-reward characteristics don't stand out. Once the darling of Internet investors, the stock is now being evaluated by traditional measures, such as corporate profit prospects. That said, the company may begin to narrow its losses later this year.

Warren Thorpe
 June 2, 2000

(A) Diluted earnings, excluding goodwill, stock-based compensation, and equity in losses of equity method investees. Also excludes non-recurring items: '98, (34c); '99, (\$1.01). Next earnings report late July. (B) In millions. (C) 1995 and 1996 figures are pro forma.

Company's Financial Strength B
 Stock's Price Stability 5
 Price Growth Persistence NMF
 Earnings Predictability NMF

WUTC

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EXHIBIT # 635

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