

Amazon swings to profit for 2013 on sales jump

January 30 2014



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Profit in the fourth quarter rose to \$239 million, bringing annual net

income to \$274 million after a loss of \$39 million in 2012.

Revenues rose 20 percent in the final three months of the year to \$25.59 billion and were up 22 percent at \$74.4 billion for the year.

Amazon's gains come for a year it boosted its offerings for its "Prime Instant Video" streaming service and launched through its Amazon Studios the original series "Alpha House" and "Betas," ramping up its challenge to services like Netflix.

Amazon also revamped its line of Kindle tablets believed to hold a significant share of the global market, even though Amazon itself releases no sales data.

"It's a good time to be an Amazon customer. You can now read your Kindle gate-to-gate, get instant on-device tech support via our revolutionary Mayday button and have packages delivered to your door even on Sundays," said founder and chief executive Jeff Bezos.

Bezos was referring to new US aviation rules that allow mobile device use on flights, and the new tech support button on Kindle devices.

Last year, Amazon announced a partnership with the US Postal Service allowing packages to get Sunday delivery.

Amazon shares slumped 7.6 percent in after-hours trade on the earnings news.

"Wall Street has not penalized the company for operating on extremely low margins or negative margins, but at some point, this should be an issue. That point may be now," said Jon Ogg at 24/7 Wall Street.

"Its margins have been allowed to operate at close to zero for long

enough. Maybe investors are finally deciding that a company that takes over retail segments and crushes brick and mortar rivals needs to do so with clear profitability rather than at a non-profit status."

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Citation: Amazon swings to profit for 2013 on sales jump (2014, January 30) retrieved 4 October 2025 from <https://phys.org/news/2014-01-amazon-4q.html>

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