

Amazon posts 3Q results below expectations

October 25 2012, by Barbara Ortutay

(AP)—Amazon's stock is falling after the world's largest online retailer reported third-quarter results below Wall Street's expectations, including a large loss that was weighed by its stake in online deals service LivingSocial.

Amazon.com Inc. posted a loss of \$274 million, or 60 cents per share, in the July-September period. That's down from earnings of \$63 million, or 14 cents per share, a year earlier.

The latest quarter's results include a loss of 37 cents per share related to Amazon's stake in LivingSocial. Without this charge, it still would have lost 23 cents per share, worse than what analysts are expecting.

Revenue grew 27 percent to \$13.81 billion, from \$10.88 billion, falling short of analysts' expectations.

Analysts surveyed by FactSet, on average, were expecting a loss of 7 cents per share on revenue of \$13.91 billion.

Amazon said its \$199 Kindle Fire HD tablet is its best-selling product worldwide, but as usual, it did not give specific sales figures.

"Our approach is to work hard to charge less. Sell devices near breakeven and you can pack a lot of sophisticated hardware into a very low price point," founder and CEO Jeff Bezos said in a statement.

Amazon has a larger version of the Kindle Fire HD out next month.

Amazon's results come two days after Apple Inc. introduced a smaller iPad, the Mini, for \$329. In its press release announcing the results, Amazon included a list trumpeting its high-definition Kindle Fires as cheaper than the iPad Mini and with more features. However, Apple's iPad has a much wider selection of third-party apps.

Seattle-based Amazon's stock slid \$6.42, or 2.9 percent, to \$216.50 in after-hours trading. The stock had closed down \$5.57, or 2.4 percent, at \$222.92 in the regular trading session.

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Citation: Amazon posts 3Q results below expectations (2012, October 25) retrieved 7 February 2026 from <https://phys.org/news/2012-10-amazon-3q-results.html>

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