

Amazon's loss reaches \$437m but outlook is confusing

NEW YORK, USA: Amazon says its loss in the last quarter rose to \$437m after a series of product launches including new phones, tablets and television programs had failed to provide profits for the company.



Amazon might be selling products and generating revenue but is not making profits and, in last quarter, lost \$437m. Image: [TBO](#)

The online retail store, which is known for prioritising investment over profits, produced a disappointing quarterly report which sent its stock price tumbling.

The loss in the third quarter was worse than anticipated, and far worse than the \$41m deficit in the same period last year. Net sales increased 20% from a year ago to \$20.58bn in the quarter.

"As we get ready for this upcoming holiday season, we are focused on making the customer experience easier and more stress-free," said a statement from Amazon's Chief Executive Jeff Bezos.

The fall suggests investors are impatient with Amazon, which has been expanding its products and services with little margin and failing to deliver profits.

Amazon not making money

"Amazon shares took it on the chin as it appears as though Jeff Bezos wants to continue running a quasi non-profit rather than a business that makes money from its customers," said Jon Ogg at the finance blog [24/7 Wall Street](#).

Ogg added that Bezos, in his statement, had hardly done anything to address the seriousness of these results.

Amazon in June announced the launch of its "Fire" smartphone, upgraded its line of Kindle tablet computers and introduced a streaming media player.

The company bolstered its online content with new original programs and ordered a second season of its dark comedy "Transparent," a move that boosts its challenge to video rivals such as Netflix and bolstered its online gaming presence with a \$970m purchase of the game platform Twitch.

While some Amazon products and services have been popular, its smartphone market share has been effectively zero, according to the Consumer Intelligence Research Partners consultancy. Amazon has not provided details on sales of phones or tablets.

Amazon's outlook for the fourth quarter was also weaker than expected, with a forecast of net sales between \$27.3bn and \$30.3bn, forecast ranging from profits of up to \$430m or losses of up to \$570m.

Source: AFP via I-Net Bridge



Amazon's Jeff Bezos holds up the company's Fire smartphone but sales have failed to produce sustainable profits for the company. Image: [Canada](#)