Exhibit D

GOOGLE ANNOUNCES FOURTH QUARTER AND FISCAL YEAR 2005 RESULTS

MOUNTAIN VIEW, Calif. – January 31, 2006 - Google Inc. (NASDAQ: GOOG) today announced financial results for the quarter and year ended December 31, 2005.

"We are very pleased with our results for the fourth quarter as we achieved excellent performance across our businesses," said Eric Schmidt, CEO of Google. "We generated significant revenue growth in our core search and advertising business, driven by continued strength in traffic and monetization. We will continue to invest significantly as we develop innovative new products and as we extend our core technologies to new user access points and to different channels."

Q4 Financial Summary

Google reported revenues of $1.919 billion for the quarter ended December 31, 2005, an increase of 86% compared to the fourth quarter of 2004 and an increase of 22% compared to the third quarter of 2005. Google reports its revenues, consistent with GAAP, on a gross basis without deducting traffic acquisition costs, or TAC. In the fourth quarter, TAC totaled $629 million, or 33% percent of advertising revenues.

Google reports operating income, net income and earnings per share (EPS) on a GAAP and non-GAAP basis. The non-GAAP measures are described below and reconciled to the corresponding GAAP measure in the section below titled "About non-GAAP financial measures."

- GAAP operating income for the fourth quarter was $570 million, or 29.7% of revenues. This compares to GAAP operating income of $529 million, or 33.5% of revenues, in the third quarter. Non-GAAP operating income in the fourth quarter was $718 million, or 37.4% of revenues. This compares to non-GAAP operating income of $596 million, or 37.8% of revenues, in the third quarter.

- GAAP net income for the fourth quarter was $372 million as compared to $381 million in the third quarter. Non-GAAP net income was $469 million, compared to $437 million in the third quarter.

- GAAP EPS for the fourth quarter was $1.22 on 304 million diluted shares outstanding, compared to $1.32 for the third quarter, on 290 million diluted shares outstanding. Non-GAAP EPS was $1.54, compared to $1.51 in the third quarter.

- Our effective tax rate for the fourth quarter increased to 41.8% this quarter, and to 31.6% for the year, above our previously announced expectation of approximately 30% for the year. Primarily because the proportion of total expenses allocated to our international operations was greater than we anticipated, more of our profits were taxed at a higher domestic tax rate; this resulted in a greater effective tax rate compared to our expectations. We expect our effective tax rate for 2006 to be approximately 30%.

- Non-GAAP operating income, non-GAAP net income, and non-GAAP EPS are computed net of certain material items: stock-based compensation (SBC), in-process research and development (IPR&D) charges, and also Google's contribution to the Google Foundation of $90 million, which the company made in the fourth quarter of 2005. In the fourth quarter, the charge related to stock-based compensation was $58 million as compared to $46 million in the third quarter. IPR&D charges were immaterial in the fourth quarter of 2005, compared to $21 million in the third quarter. Tax benefits related to stock-based compensation charges and the contribution to the Google Foundation have been excluded from non-GAAP net income and non-GAAP EPS. The tax benefit related to SBC was $14 million in the fourth quarter and $11 million in the third quarter, and the tax benefit related to the contribution to the Google Foundation in the fourth quarter was $37 million. Google does not expect to make further donations to the Google Foundation for the foreseeable future. Reconciliations of non-GAAP measures to GAAP operating income, net income, and EPS are included at the end of this release.

Q4 Financial Highlights

Revenues – Google reported revenues of $1.919 billion for the quarter ended December 31, 2005, representing an 86% increase over fourth quarter 2004 revenues of $1.032 billion, and a 22% increase over third quarter 2005 revenues of $1.578 billion. Growth over the third quarter was driven by expected seasonal strength in both traffic and monetization. Google reports its revenues, consistent with GAAP, on a gross basis without deducting traffic acquisition costs, or TAC.

Google Sites Revenues - Google-owned sites generated revenues of $1.098 billion, or 57% of total revenues. This represents a 24% increase over the third quarter revenues of $885 million.

Google Network Revenues - Google's partner sites generated revenues, through AdSense programs, of $799 million, or 42% of total revenues. This is an 18% increase over network revenues of $675 million generated in the third quarter.

International Revenues - Revenues from outside of the United States contributed 38% of total revenues, compared to 39% in the third quarter of 2005 and 35% in the fourth quarter of 2004. International revenues reflected the unfavorable impact caused by the appreciation of the U.S. dollar and stronger seasonal trends in the U.S. relative to the international business. Had foreign exchange rates remained constant from the third quarter through the fourth quarter, our revenues would have been $12 million, or 0.6%, higher. Had foreign exchange rates remained constant from 2004 through 2005, our revenues would have been $40 million, or 2.1%, higher.

TAC - Traffic Acquisition Costs, the portion of revenues shared with Google's partners, increased to $629 million in the fourth quarter. This compares to TAC of $530 million in the third quarter. TAC as a percentage of advertising revenues decreased to 33.2% in the fourth quarter from 34.0% in the third quarter, reflecting primarily the continued shift in our revenue mix from Google network revenue to Google-owned site revenue.

Operating Income - GAAP operating income in the fourth quarter was $570 million, or 29.7% of revenues. This compares to GAAP operating income of $529 million, or 33.5% of revenues, in the third quarter. GAAP operating income in the fourth quarter includes a contribution of $90 million to the Google Foundation. Non-GAAP operating income in the fourth quarter was $718 million, or 37.4% of revenues. This compares to non-GAAP operating income of $596 million, or 37.8% of revenues, in the third quarter. The favorable shift in the mix of revenues to a higher proportion of revenues from Google-owned sites was offset by significant investments in all areas of the business.

Stock-Based Compensation – In the fourth quarter, the charge related to stock-based compensation was $58 million as compared to $46 million in the third quarter. The increase in stock-based compensation was primarily related to Google stock units issued in 2005.

Stock-based compensation in 2006 will be significantly greater than it was in 2005 as a result of our adoption of SFAS 123R effective January 1, 2006. We currently anticipate that dilution related to all equity grants to employees will be approximately 1% to 1.5% per year.

Net Income – GAAP net income for the fourth quarter was $372 million as compared to $381 million in the third quarter. Non-GAAP net income was $469 million, compared to $437 million in the third quarter. GAAP EPS for the fourth quarter was $1.22 on 304 million diluted shares outstanding, compared to $1.32 for the third quarter, on 290 million diluted shares outstanding. Non-GAAP EPS was $1.54, compared to $1.51 in the third quarter.

Income Taxes – Our effective tax rate for the fourth quarter increased to 41.8% this quarter, and to 31.6% for the year, above our previously announced expectation of approximately 30% for the year. Because the proportion of total expenses allocated to our international operations was greater than we anticipated, more of our profits were taxed at a higher domestic tax rate; this resulted in a greater effective tax rate compared to our expectations. We expect our effective tax rate for 2006 to be approximately 30%.

Cash Flow and Capital Expenditures – Net cash provided by operating activities for the fourth quarter totaled $658 million as compared to $647 million for the third quarter. Free cash flow, an alternative non-GAAP measure of liquidity, is defined as net cash provided by operating activities less capital expenditures. In the fourth quarter we generated $413 million in free cash flow. Capital expenditures in the quarter were $245 million as compared to $293 million in the third quarter, and primarily reflect purchases of production servers and networking equipment and acquisitions of additional office space.

We will continue to invest significantly in capital expenditures in 2006. We expect the majority of the investment to be focused on IT infrastructure including servers, networking equipment, and data centers, as well as real estate and campus facilities.

Adjusted EBITDA – Adjusted EBITDA is another non-GAAP measure of liquidity and is defined as income before interest, taxes, depreciation, amortization, SBC, IPR&D, and the contribution to the Google Foundation. Adjusted EBITDA increased to approximately $814 million in the fourth quarter from $672 million in the third quarter, or 43% of revenues for both periods.

Reconciliations of free cash flow and adjusted EBITDA to net cash provided by operating activities, the GAAP measure of liquidity, are included at the end of this release.

Fiscal Year 2005 Financial Highlights

Revenue – For the year ended December 31, 2005, Google reported total revenues of $6.139 billion, an increase of 92.5% over revenues of $3.189 billion in 2004. Revenue growth was attributable to both Google sites and Google network sites.

> **Google Sites Revenues** – Revenue from Google sites increased 112.5% in 2005 to $3.377 billion as traffic to Google sites continued to grow and monetization improved.
>
> **Google Network Revenues** – Revenue from the Google network increased 72.9% in 2005 to $2.688 billion due primarily to increased contribution from existing partners as well as the addition of many new partners to the AdSense for Search and AdSense for Content programs.
>
> **International Revenues** – Revenues from outside of the United States contributed 39% to total revenues for the year compared to 34% in 2004.

Operating Income – GAAP operating income in 2005 was $2.017 billion, compared to $640 million in 2004.

Net Income – GAAP net income for 2005 increased to $1.465 billion, from $399 million in 2004.

Cash Flow and Capital Expenditures – Net cash provided by operating activities was $2.459 billion, compared to $977 million in 2004. Capital expenditures in 2005 were $838 million, an increase of 163% from $319 million in 2004. Free cash flow was $1.621 billion, an increase from $658 million in 2004.

Adjusted EBITDA – Adjusted EBITDA increased to $2.624 billion in 2005 from $1.280 billion in 2004.

Cash – As of December 31, 2005, Google had cash, cash equivalents and marketable securities of $8.0 billion.

On a worldwide basis, Google employed 5,680 full time employees as of December 31, 2005, up from 4,989 as of September 30, 2005 and 3,021 as of December 31, 2004.

Webcast and conference call information

A live audio webcast of Google's fourth-quarter and fiscal year 2005 earnings release call will be available at http://investor.google.com/news.html. The call begins today at 1:30 PM (PT) / 4:30 PM (ET). This press release, the financial tables, as well as other supplemental information including the reconciliations of certain non-GAAP measures to their nearest comparable GAAP measures, are also available at that site. A replay of the call will be available beginning at 7:30 PM (ET) through midnight Tuesday, February 7, 2006 by calling 888-203-1112 in the United States or 719-457-0820 for calls from outside the United States. The required confirmation code for the replay is 4135040.

Forward looking statements

This press release contains forward-looking statements that involve risks and uncertainties, including statements relating to our plans to invest in our business, our expected stock-based compensation, the expected dilution related to equity grants to our employees, our anticipated effective tax rate for 2006, and planned capital expenditures. Actual results may differ materially from the results predicted and reported results should not be considered as an indication of future performance. The potential risks and uncertainties that could cause actual results to differ from the results predicted include, among others, risks related to our international operations, our hiring patterns, the amount of stock-based compensation we issue to our service providers, the mix of our US revenue as compared to our non-US revenue, the inherent uncertain and complex nature of tax forecasting, the fact that we may have exposure to greater than expected tax liabilities, and our need to expend capital to accommodate the growth of the business, as well as those risks and uncertainties included under the captions "Factors That Could Affect Future Results" and "Management's Discussion and Analysis of Financial Condition and Results of Operations," in our report on Form 10-K for the year ended December 31, 2004 and our report on Form 10-Q for the quarter ended September 30, 2005, which are on file with the SEC and are available on our investor relations website at investor.google.com and on the SEC's website at www.sec.gov. Additional information will also be set forth in our annual report on Form 10-K for the year ended December 31, 2005, which will be filed with the SEC in the first quarter of 2006. All information provided in this release and in the attachments is as of January 31, 2006, and Google undertakes no duty to update this information.

About non-GAAP financial measures

To supplement Google's consolidated financial statements presented in accordance with GAAP, Google uses the following measures defined as non-GAAP financial measures by the SEC: non-GAAP operating income, non-GAAP net income, non-GAAP operating margins, non-GAAP EPS, free cash flow, and adjusted EBITDA. The presentation of this financial information is not intended to be considered in isolation or as a substitute for the financial information prepared and presented in accordance with GAAP. For more information on these non-GAAP financial measures, please see the tables captioned "Reconciliations of non-GAAP results of operations measures to the nearest comparable GAAP measures" and "Reconciliations of non-GAAP liquidity measures to the nearest comparable GAAP measures" included at the end of this release.

Google's management believes that these non-GAAP financial measures provide meaningful supplemental information regarding our performance and liquidity by excluding certain expenses and expenditures that may not be indicative of our core business operating results. Google believes that both management and investors benefit from referring to these non-GAAP financial measures in assessing Google's performance and when planning, forecasting and analyzing future periods. These non-GAAP financial measures also facilitate management's internal comparisons to Google's historical performance and liquidity and our competitors' operating results. Google believes these non-GAAP financial measures are useful to investors in allowing for greater transparency with respect to supplemental information used by management in its financial and operational decision making.

Google has computed its non-GAAP liquidity measures using the same consistent method from quarter to quarter and year to year. Google expects to use consistent methods for computation of other non-

GAAP financial measures introduced this quarter, including non-GAAP operating income, non-GAAP operating margins, non-GAAP net income, and non-GAAP EPS. The accompanying tables have more details on the GAAP financial measures that are most directly comparable to non-GAAP financial measures and the related reconciliations between these financial measures.

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GOOGLE ANNOUNCES FIRST QUARTER 2006 RESULTS

MOUNTAIN VIEW, Calif. – April 20, 2006 - Google Inc. (NASDAQ: GOOG) today announced financial results for the quarter ended March 31, 2006.

"Google had an exceptional quarter with strong growth and profitability, from both Google properties and the network," said Eric Schmidt, CEO of Google. "We are driving this growth through investments in our infrastructure and our people, product innovations that attract new users, and relationships with advertisers and partners around the world. The strength of our business model gives us the opportunity to invest in our business, allowing us to maintain and grow our market leadership."

Q1 Financial Summary

Google reported revenues of $2.25 billion for the quarter ended March 31, 2006, an increase of 79% compared to the first quarter of 2005 and an increase of 17% compared to the fourth quarter of 2005. Google reports its revenues, consistent with GAAP, on a gross basis without deducting traffic acquisition costs, or TAC. In the first quarter of 2006, TAC totaled $723 million, or 32% of advertising revenues.

Google reports operating income, net income, and earnings per share (EPS) on a GAAP and non-GAAP basis. The non-GAAP measures are described below and reconciled to the corresponding GAAP measures in the section below titled "About non-GAAP financial measures."

- GAAP operating income for the first quarter of 2006 was $743 million, or 33% of revenues. This compares to GAAP operating income of $570 million, or 30% of revenues, in the fourth quarter of 2005. Non-GAAP operating income in the first quarter was $887 million, or 39% of revenues. This compares to non-GAAP operating income of $718 million, or 37% of revenues, in the fourth quarter.

- GAAP net income for the first quarter was $592 million as compared to $372 million in the fourth quarter. Non-GAAP net income was $697 million, compared to $469 million in the fourth quarter.

- GAAP EPS for the first quarter was $1.95 on 304 million diluted shares outstanding, compared to $1.22 for the fourth quarter, on 304 million diluted shares outstanding. Non-GAAP EPS was $2.29, compared to $1.54 in the fourth quarter.

- Non-GAAP operating income, non-GAAP net income, and non-GAAP EPS in the first quarter of 2006 are computed net of certain material items: stock-based compensation (SBC) and estimated plaintiffs' attorneys' fees related to the proposed settlement of the Lane's Gift class action lawsuit. In the first quarter, the charge related to stock-based compensation was $115 million as compared to $58 million in the fourth quarter of 2005, which was also excluded from non-GAAP calculations. Plaintiffs' attorneys' fees related to the proposed Lane's Gift class-action lawsuit settlement are estimated to be $30 million. In the fourth quarter of 2005, the contribution to the Google Foundation of $90 million was excluded from the calculation of non-GAAP operating income, non-GAAP net income, and non-GAAP EPS. Tax benefits related to SBC charges, the estimated plaintiffs' attorneys' fees, and the contribution to the Google Foundation have been excluded from non-GAAP calculations. The tax benefit related to SBC was $27 million in the first quarter and $14 million in the fourth quarter. The tax benefit related to the estimated plaintiffs' attorneys' fees in the first quarter was $12 million. The tax benefit related to the contribution to the Google Foundation in the fourth quarter was $37 million. Reconciliations of non-GAAP measures to GAAP operating income, net income, and EPS are included at the end of this release.

Q1 Financial Highlights

Revenues – Google reported revenues of $2.25 billion for the quarter ended March 31, 2006, representing a 79% increase over first quarter 2005 revenues of $1.26 billion, and a 17% increase over fourth quarter 2005 revenues of $1.92 billion. Google reports its revenues, consistent with GAAP, on a gross basis without deducting traffic acquisition costs, or TAC.

Google Sites Revenues - Google-owned sites generated revenues of $1.30 billion, or 58% of total revenues. This represents a 97% increase over first quarter 2005 revenues of $657 million and an 18% increase over fourth quarter 2005 revenues of $1.10 billion.

Google Network Revenues - Google's partner sites generated revenues, through AdSense programs, of $928 million, or 41% of total revenues. This is a 59% increase over network revenues of $584 million generated in the first quarter of 2005 and a 16% increase over fourth quarter 2005 revenues of $799 million.

International Revenues - Revenues from outside of the United States contributed 42% of total revenues, compared to 38% in the fourth quarter of 2005 and 39% in the first quarter of 2005. Foreign exchange rates had an immaterial impact on sequential international revenue growth. Had foreign exchange rates remained constant from the first quarter of 2005 through the first quarter of 2006, our international revenues would have been $65 million higher.

TAC - Traffic Acquisition Costs, the portion of revenues shared with Google's partners, increased to $723 million in the first quarter. This compares to TAC of $629 million in the fourth quarter. TAC as a percentage of advertising revenues decreased to 32% in the first quarter from 33% in the fourth quarter.

Other Cost of Revenues - Other cost of revenues, which is comprised primarily of data center operational expenses, including depreciation expense, as well as credit card processing charges, increased to $181 million, or 8% of revenues, in the first quarter, compared to $148 million, or 8% of revenues, in the fourth quarter. Other cost of revenues also included stock-based compensation of $2 million in both the first quarter of 2006 and the fourth quarter of 2005.

Operating Expenses - Operating expenses, other than costs of revenues, were $607 million in the first quarter. Operating expenses included $284 million in headcount-related and facilities expenses, $112 million in stock-based compensation, and $50 million in advertising and promotional expenses, of which $25 million was related to distribution deals. In addition, stock-based compensation and estimated plaintiffs' attorneys' fees related to the Lane's Gift class-action lawsuit of $30 million are included in operating expenses, but excluded from non-GAAP calculations.

Stock-Based Compensation – In accordance with a new accounting rule, FASB Staff Accounting Bulletin No. 107, stock-based compensation is no longer presented as a separate line on our income statement. The stock-based compensation is now presented in the same lines as cash compensation paid to the same individuals. Stock-based compensation recognized in prior periods has been reclassed to conform with the presentation in the current period. In the first quarter, the charge related to stock-based compensation was $115 million as compared to $58 million in the fourth quarter. The increase in stock-based compensation was primarily related to the adoption of FAS 123R related to stock-based options expensing.

For the full year, we expect stock-based compensation charges for grants to employees prior to April 1, 2006 to be $370 million. This does not include expenses to be recognized over the remainder of the year related to employee stock awards that are granted after April 1, 2006 or non-employee stock awards that have been or may be granted. We currently anticipate that dilution related to all equity grants to employees will be approximately 1% to 1.5% per year.

Operating Income - GAAP operating income in the first quarter was $743 million, or 33% of revenues. This compares to GAAP operating income of $570 million, or 30% of revenues, in the fourth quarter. GAAP operating income includes stock-based compensation, the estimated plaintiffs' attorneys' fees related to the proposed settlement of the Lane's Gift lawsuit of $30 million in the first quarter, and the contribution of $90 million to the Google Foundation in the fourth quarter. Non-GAAP operating income in the first quarter was $887 million, or 39% of revenues. This compares to non-GAAP operating income of $718 million, or 37% of revenues, in the fourth quarter.

Net Income – GAAP net income for the first quarter was $592 million as compared to $372 million in the fourth quarter. Non-GAAP net income was $697 million, compared to $469 million in the fourth quarter. GAAP EPS for the first quarter was $1.95 on 304 million diluted shares outstanding, compared to $1.22 for the fourth quarter, on 304 million diluted shares outstanding. Non-GAAP EPS was $2.29, compared to $1.54 in the fourth quarter.

The share count of 304 million is as of March 31 and does not include 5.3 million shares issued in the offering completed early in the second quarter. The additional shares will be reflected in the second quarter 2006 share calculations and in subsequent quarters.

Income Taxes – Our effective tax rate for the first quarter was 27%. We expect our effective tax rate for 2006 to be approximately 30%.

Cash Flow and Capital Expenditures – Net cash provided by operating activities for the first quarter totaled $825 million as compared to $658 million for the fourth quarter. In the first quarter of 2006, capital expenditures were $345 million. Free cash flow, an alternative non-GAAP measure of liquidity, is defined as net cash provided by operating activities less capital expenditures. In the first quarter we generated $480 million in free cash flow.

We expect that the growth rate in capital expenditures in 2006 will be substantially greater than the revenue growth rate for the year. We expect the majority of investment to be focused on IT infrastructure including servers, networking equipment, and data centers, as well as real estate and campus facilities.

In accordance with FAS 123R, excess tax benefits related to stock-based compensation, which totaled $77 million in the first quarter, are now classified as a cash flow from financing activities, rather than as a cash flow from operating activities. This requirement will reduce the amounts we record as net cash provided by operating activities and free cash flow, and will increase the amount we record as net cash provided by financing activities. Total cash flow will remain unchanged from what would have been reported under prior accounting rules.

Reconciliations of free cash flow to net cash provided by operating activities, the GAAP measure of liquidity, are included at the end of this release.

Cash – As of March 31, 2006, cash, cash equivalents, and marketable securities were $8.43 billion. This balance does not reflect the additional $2.07 billion raised in the offering that closed in early April.

We also completed the investment of $1 billion in AOL in early April, and the balance of $8.43 billion does not reflect the impact of the cash investment.

On a worldwide basis, Google employed 6,790 full-time employees as of March 31, 2006, up from 5,680 full time employees as of December 31, 2005.

WEBCAST AND CONFERENCE CALL INFORMATION

A live audio webcast of Google's first quarter 2006 earnings release call will be available at http://investor.google.com/news.html. The call begins today at 1:30 PM (PT) / 4:30 PM (ET). This press release, the financial tables, as well as other supplemental information including the reconciliations of certain non-GAAP measures to their nearest comparable GAAP measures, are also available at that site. A replay of the call will be available beginning at 7:30 PM (ET) through midnight Thursday, April 27, 2006 by calling 888-203-1112 in the United States or 719-457-0820 for calls from outside the United States. The required confirmation code for the replay is 5907541.

FORWARD LOOKING STATEMENTS

This press release contains forward-looking statements that involve risks and uncertainties, including statements relating to our plans to invest in our business, our expected stock-based compensation, the expected dilution related to equity grants to our employees, our anticipated effective tax rate for 2006, and planned capital expenditures. Actual results may differ materially from the results predicted and reported results should not be considered as an indication of future performance. The potential risks and uncertainties that could cause actual results to differ from the results predicted include, among others, risks related to our international operations, our hiring patterns, the amount of stock-based compensation we issue to our service providers, the mix of our US revenue as compared to our non-US revenue, the uncertain and complex nature of tax forecasting, the fact that we may have exposure to greater than expected tax liabilities, and our need to expend capital to accommodate the growth of the business, as well as those risks and uncertainties included under the captions "Factors That Could Affect Future Results" and "Management's Discussion and Analysis of Financial Condition and Results of Operations," in our report on Form 10-K for the year ended December 31, 2005, which is on file with the SEC and is available on our investor relations website at investor.google.com and on the SEC's website at www.sec.gov. Additional information will also be set forth in our quarterly report on Form 10-Q for the quarter ended March 31, 2006, which will be filed with the SEC in the second quarter of

2006. All information provided in this release and in the attachments is as of April 20, 2006, and Google undertakes no duty to update this information.

ABOUT NON-GAAP FINANCIAL MEASURES

To supplement Google's consolidated financial statements presented in accordance with GAAP, Google uses the following measures defined as non-GAAP financial measures by the SEC: non-GAAP operating income, non-GAAP net income, non-GAAP operating margins, non-GAAP EPS and free cash flow. The presentation of this financial information is not intended to be considered in isolation or as a substitute for the financial information prepared and presented in accordance with GAAP. For more information on these non-GAAP financial measures, please see the tables captioned "Reconciliations of non-GAAP results of operations measures to the nearest comparable GAAP measures" and "Reconciliation from net cash provided by operating activities to free cash flow" included at the end of this release.

Google's management believes that these non-GAAP financial measures provide meaningful supplemental information regarding our performance and liquidity by excluding certain expenses and expenditures that may not be indicative of our core business operating results. Google believes that both management and investors benefit from referring to these non-GAAP financial measures in assessing Google's performance and when planning, forecasting and analyzing future periods. These non-GAAP financial measures also facilitate management's internal comparisons to Google's historical performance and liquidity and our competitors' operating results. Google believes these non-GAAP financial measures are useful to investors in allowing for greater transparency with respect to supplemental information used by management in its financial and operational decision making.

Google has computed its non-GAAP financial measures using the same consistent method from quarter to quarter and year to year. The accompanying tables have more details on the GAAP financial measures that are most directly comparable to non-GAAP financial measures and the related reconciliations between these financial measures.

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GOOGLE ANNOUNCES SECOND QUARTER 2006 RESULTS

MOUNTAIN VIEW, Calif. – July 20, 2006 - Google Inc. (NASDAQ: GOOG) today announced financial results for the quarter ended June 30, 2006.

"Google grew at an impressive pace during a seasonally slower quarter," said Eric Schmidt, CEO of Google. "We continue to deliver valuable new products and services to users around the world through our partnerships and investments in our business. Our strong performance results from our clear focus on increasing the quality of user experience, particularly in search and ads."

Q2 Financial Summary

Google reported revenues of $2.46 billion for the quarter ended June 30, 2006, an increase of 77% compared to the second quarter of 2005 and an increase of 9% compared to the first quarter of 2006. Google reports its revenues, consistent with GAAP, on a gross basis without deducting traffic acquisition costs, or TAC. In the second quarter of 2006, TAC totaled $785 million, or 32% of advertising revenues.

Google reports operating income, net income, and earnings per share (EPS) on a GAAP and non-GAAP basis. The non-GAAP measures are described below in the section titled "About non-GAAP financial measures" and are reconciled to the corresponding GAAP measure in the accompanying financial tables.

- GAAP operating income for the second quarter of 2006 was $815 million, or 33% of revenues. This compares to GAAP operating income of $743 million, or 33% of revenues, in the first quarter of 2006. Non-GAAP operating income in the second quarter was $925 million, or 38% of revenues. This compares to non-GAAP operating income of $887 million, or 39% of revenues, in the first quarter.

- GAAP net income for the second quarter was $721 million as compared to $592 million in the first quarter. Non-GAAP net income was $772 million, compared to $697 million in the first quarter.

- GAAP EPS for the second quarter was $2.33 on 310 million diluted shares outstanding, compared to $1.95 for the first quarter, on 304 million diluted shares outstanding. Non-GAAP EPS was $2.49, compared to $2.29 in the first quarter.

- In the second quarter of 2006, non-GAAP operating income is computed net of stock-based compensation (SBC), and non-GAAP net income and non-GAAP EPS are computed net of SBC and gains from the sale of our investment in Baidu. In the second quarter, the charge related to stock-based compensation was $109 million as compared to $115 million in the first quarter. Investment gains related to the sale of the investment in Baidu were $55 million in the second quarter. In the first quarter, we excluded $30 million in plaintiffs' attorneys' fees related to a legal settlement from the calculation of non-GAAP operating income, non-GAAP net income and non-GAAP EPS. Tax effects related to SBC charges, the sale of the investment in Baidu, and the plaintiffs' attorneys' fees have also been excluded from non-GAAP calculations. The tax benefit related to SBC was $26 million in the second quarter and $27 million in the first quarter. The tax expense related to the investment gains from the sale of the Baidu investment in the second quarter was $23 million. The tax benefit related to plaintiffs' attorneys' fees related to a legal settlement in the first quarter was $12 million. Reconciliations of non-GAAP measures to GAAP operating income, net income, and EPS are included at the end of this release.

Q2 Financial Highlights

Revenues – Google reported revenues of $2.46 billion for the quarter ended June 30, 2006, representing a 77% increase over second quarter 2005 revenues of $1.38 billion and a 9% increase over first quarter 2006 revenues of $2.25 billion. Google reports its revenues, consistent with GAAP, on a gross basis without deducting traffic acquisition costs, or TAC.

Google Sites Revenues - Google-owned sites generated revenues of $1.43 billion, or 58% of total revenues. This represents a 94% increase over second quarter 2005 revenues of $737 million and a 10% increase over first quarter 2006 revenues of $1.30 billion.

Google Network Revenues - Google's partner sites generated revenues, through AdSense programs, of $997 million, or 41% of total revenues. This is a 58% increase over network revenues of $630 million generated in the second quarter of 2005 and a 7% increase over first quarter 2006 revenues of $928 million.

International Revenues - Revenues from outside of the United States contributed 42% of total revenues, compared to 42% in the first quarter of 2006 and 39% in the second quarter of 2005. Had foreign exchange rates remained constant from the first quarter through the second quarter of 2006, our revenues would have been $26 million lower. Had foreign exchange rates remained constant from the second quarter of 2005 through the second quarter of 2006, our revenues would have been $18 million higher.

TAC - Traffic Acquisition Costs, the portion of revenues shared with Google's partners, increased to $785 million in the second quarter. This compares to TAC of $723 million in the first quarter. TAC as a percentage of advertising revenues remained flat at 32% from the first quarter to the second quarter.

Other Cost of Revenues - Other cost of revenues, which is comprised primarily of data center operational expenses, as well as credit card processing charges, increased to $204 million, or 8% of revenues, in the second quarter, compared to $181 million, or 8% of revenues, in the first quarter. Other cost of revenues also included stock-based compensation of $2 million in the second quarter, compared to $2 million in the first quarter of 2006.

Operating Expenses - Operating expenses, other than cost of revenues, were $652 million in the second quarter. Operating expenses included $342 million in headcount-related and facilities expenses, $107 million in stock-based compensation, and $49 million in advertising and promotional expenses, of which $24 million was related to certain distribution deals. In addition, stock-based compensation is included in operating expenses, but excluded from non-GAAP calculations.

Stock-Based Compensation – In the second quarter, the total charge related to stock-based compensation was $109 million as compared to $115 million in the first quarter.

For the full year, we expect stock-based compensation charges for grants to employees prior to July 1, 2006 to be $375 million. This does not include expenses to be recognized over the remainder of the year related to employee stock awards that are granted after July 1, 2006 or non-employee stock awards that have been or may be granted. We currently anticipate that dilution related to all equity grants to employees will be approximately 1% to 1.5% per year.

Operating Income - GAAP operating income in the second quarter was $815 million, or 33% of revenues. This compares to GAAP operating income of $743 million, or 33% of revenues, in the first quarter. GAAP operating income includes stock-based compensation in the first and second quarters and plaintiffs' attorneys' fees related to a legal settlement of $30 million in the first quarter. Non-GAAP operating income in the second quarter was $925 million, or 38% of revenues. This compares to non-GAAP operating income of $887 million, or 39% of revenues, in the first quarter.

Net Income – GAAP net income for the second quarter was $721 million as compared to $592 million in the first quarter. Non-GAAP net income was $772 million, compared to $697 million in the first quarter. GAAP EPS for the second quarter was $2.33 on 310 million diluted shares outstanding, compared to $1.95 for the first quarter, on 304 million diluted shares outstanding. Non-GAAP EPS for the second quarter was $2.49, compared to $2.29 in the first quarter.

Income Taxes – Our effective tax rate was 26% for the second quarter and the six months ended June 30, 2006. We currently anticipate that our effective tax rate for the full year will be at or below 30%.

Cash Flow and Capital Expenditures – Net cash provided by operating activities for the second quarter totaled $841 million as compared to $825 million for the first quarter. In the second quarter of 2006, capital expenditures were $699 million, including $319 million related to real estate purchases in Mountain View, CA. Free cash flow, an alternative non-GAAP measure of liquidity, is defined as net cash provided by operating activities less capital expenditures. In the second quarter, free cash flow was $142 million.

We expect that the growth rate in capital expenditures in 2006 will be substantially greater than the revenue growth rate for the year. We expect the majority of investment to be focused on IT infrastructure including servers, networking equipment, and data centers, as well as real estate and campus facilities.

A reconciliation of free cash flow to net cash provided by operating activities, the GAAP measure of liquidity, is included at the end of this release.

Cash – As of June 30, 2006, cash, cash equivalents, and marketable securities were $9.82 billion. This balance reflects the net proceeds of $2.06 billion from the public offering that closed in early April as well as the impact of the cash investment of $1 billion in AOL in early April.

On a worldwide basis, Google employed 7,942 full-time employees as of June 30, 2006, up from 6,790 full time employees as of March 31, 2006.

WEBCAST AND CONFERENCE CALL INFORMATION

A live audio webcast of Google's second quarter 2006 earnings release call will be available at http://investor.google.com/news.html. The call begins today at 1:30 PM (PT) / 4:30 PM (ET). This press release, the financial tables, as well as other supplemental information including the reconciliations of certain non-GAAP measures to their nearest comparable GAAP measures, are also available at that site. A replay of the call will be available beginning at 7:30 PM (ET) today through midnight Thursday, July 27, 2006 by calling 888-203-1112 in the United States or 719-457-0820 for calls from outside the United States. The required confirmation code for the replay is 1066064.

FORWARD LOOKING STATEMENTS

This press release contains forward-looking statements that involve risks and uncertainties, including statements relating to our plans to invest in our business, our expected stock-based compensation, the expected dilution related to equity grants to our employees, our anticipated tax rate for 2006, and our expectation that the growth rate in our capital expenditures will be substantially greater than our revenue growth rate for the year. Actual results may differ materially from the results predicted and reported results should not be considered as an indication of future performance. The potential risks and uncertainties that could cause actual results to differ from the results predicted include, among others, risks related to our hiring patterns, the amount of stock-based compensation we issue to our service providers, the uncertain and complex nature of tax forecasting, the fact that we may have exposure to greater than expected tax liabilities, and our need to expend capital to accommodate the growth of the business, as well as those risks and uncertainties included under the captions "Risk Factors" and "Management's Discussion and Analysis of Financial Condition and Results of

Operations," in our report on Form 10-Q for the quarter ended March 31, 2006, which is on file with the SEC and is available on our investor relations website at investor.google.com and on the SEC's website at www.sec.gov. Additional information will also be set forth in our quarterly report on Form 10-Q for the quarter ended June 30, 2006, which will be filed with the SEC in August 2006. All information provided in this release and in the attachments is as of July 20, 2006, and Google undertakes no duty to update this information.

ABOUT NON-GAAP FINANCIAL MEASURES

To supplement our consolidated financial statements presented in accordance with GAAP, we use the following measures defined by the SEC as non-GAAP financial measures: non-GAAP operating income, non-GAAP net income, non-GAAP operating margins, non-GAAP EPS and free cash flow. The presentation of this financial information is not intended to be considered in isolation or as a substitute for the financial information prepared and presented in accordance with GAAP. For more information on these non-GAAP financial measures, please see the tables captioned "Reconciliations of non-GAAP results of operations measures to the nearest comparable GAAP measures" and "Reconciliation from net cash provided by operating activities to free cash flow" included at the end of this release.

We use these non-GAAP financial measures for financial and operational decision making and as a means to evaluate period-to-period comparisons. Our management believes that these non-GAAP financial measures provide meaningful supplemental information regarding our performance and liquidity by excluding certain expenses and expenditures that may not be indicative of our "core business operating results," primarily meaning our operating performance from a cash perspective. We believe that both management and investors benefit from referring to these non-GAAP financial measures in assessing our performance and when planning, forecasting and analyzing future periods. These non-GAAP financial measures also facilitate management's internal comparisons to our historical performance and liquidity as well as comparisons to our competitors' operating results. We believe these non-GAAP financial measures are useful to investors in allowing for greater transparency with respect to supplemental information used by management in its financial and operational decision making.

Non-GAAP operating income and operating margin. Non-GAAP operating income is defined as operating income minus stock-based compensation and the plaintiffs' attorneys' fees related to a legal settlement of $30 million in the first quarter of 2006. Non-GAAP operating margin is defined as non-GAAP operating income divided by revenues. Google considers these non-GAAP financial measures to be a useful metric for management and investors because they exclude a one-time event (i.e. the settlement of a legal matter) that is not part of our core business operating results. By excluding these one-time events, management and investors are better able to compare our core operating results over multiple periods.

Similarly, these non-GAAP financial measures exclude the effect of stock-based compensation so that Google's management and investors can compare Google's core business operating results over multiple periods in a manner that is not distorted by Google's recent adoption of FAS 123R in fiscal year 2006. Moreover, because of varying available valuation methodologies, subjective assumptions and the variety of award types that companies can use when adopting FAS 123R, Google's management believes that providing a non-GAAP financial measure that excludes stock-based compensation allows investors to make more meaningful comparisons between Google's core business operating results and those of other companies, as well as providing Google's management with an important tool for financial and operational decision making and for evaluating Google's own core business operating results over different periods of time. A limitation of using non-GAAP operating income versus operating income calculated in accordance with GAAP is that non-GAAP operating income excludes some costs, namely, stock-based compensation, that are recurring. Stock-based compensation has been and will continue to be for the foreseeable future a significant recurring expense in Google's business. Management compensates for this limitation by providing specific information regarding the GAAP amounts excluded from non-GAAP operating income and evaluating non-GAAP operating income together with operating income calculated in accordance with GAAP.

Non-GAAP net income and non-GAAP EPS. Non-GAAP net income is defined as net income minus stock-based compensation, the gains from the sale of our investment in Baidu in the second quarter of 2006 and the plaintiffs' attorneys' fees related to a legal settlement of $30 million in the first quarter of 2006. Non-GAAP EPS is defined as non-GAAP net income divided by the weighted average shares outstanding as of June 30, 2006. We consider these non-GAAP financial measures to be a useful metric for management and investors for the same reasons that Google uses non-GAAP operating income and non-GAAP operating margin. However, in order to provide a complete picture of our core business operating results, we exclude from non-GAAP net income and non-GAAP EPS the tax effects associated with stock-based compensation, the gains from the sale of our investment in Baidu in the second quarter of 2006 and the plaintiffs' attorneys' fees related to a legal settlement of $30 million in the first quarter of 2006. Without excluding these tax effects, investors would only see the gross effect that excluding these expenses and gains had on our operating results. A limitation of these non-GAAP financial measures is that they do not include all items that impact Google's net income and net income per share for the period. Management compensates for this limitation by providing specific information regarding the GAAP amounts excluded from non-GAAP net income and non-GAAP EPS and evaluating non-GAAP net income and non-GAAP EPS together with net income and EPS calculated in accordance with GAAP.

Free cash flow. Free cash flow is defined as net cash provided by operating activities minus capital expenditures. We consider free cash flow to be a liquidity measure that provides useful information to management and investors about the amount of cash generated by the business that, after the acquisition of property and equipment, including information technology infrastructure and land and buildings, can be used for strategic opportunities, including investing in our business, making strategic acquisitions and strengthening the balance sheet. Analysis of free cash flow also facilitates management's comparisons of our operating results to competitors' operating results. A limitation of using free cash flow versus net cash provided by operating activities as a means for evaluating Google is that free cash flow does not represent the total increase or decrease in the cash balance for the period as it excludes cash used for capital expenditures during the period. Our management compensates for this limitation by providing information about our capital expenditures on the face of its cash flow statement and under Management's Discussion and Analysis of Financial Condition and Results of Operations in its Form 10-Q.

Google has computed free cash flow using the same consistent method from quarter to quarter and year to year.

The accompanying tables have more details on the GAAP financial measures that are most directly comparable to non-GAAP financial measures and the related reconciliations between these financial measures.

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Note to Editors:

Video of CEO Eric Schmidt addressing the second quarter results, capital investments, Google Checkout and other topics will be available in Google's multi media press room (www.google.com/press) and The News Market (www.thenewsmarket.com/google) at 2:30 p.m. PDT in the following formats: broadcast quality MPEG2, QuickTime and WMV.

GOOGLE ANNOUNCES THIRD QUARTER 2006 RESULTS

MOUNTAIN VIEW, Calif. – October 19, 2006 - Google Inc. (NASDAQ: GOOG) today announced financial results for the quarter ended September 30, 2006.

"Our third quarter results are a testament to the strength of our network of advertisers and partners, as well as our continuing focus on users," said Eric Schmidt, CEO of Google. "We were particularly pleased with the contributions of our international business in a seasonally weaker quarter. In addition, we continued to forge significant partnerships with companies such as eBay, Fox Interactive Media, and Intuit that will be of great value to all involved."

Q3 Financial Summary

Google reported revenues of $2.69 billion for the quarter ended September 30, 2006, an increase of 70% compared to the third quarter of 2005 and an increase of 10% compared to the second quarter of 2006. Google reports its revenues, consistent with GAAP, on a gross basis without deducting traffic acquisition costs, or TAC. In the third quarter of 2006, TAC totaled $825 million, or 31% of advertising revenues.

Google reports operating income, net income, and earnings per share (EPS) on a GAAP and non-GAAP basis. The non-GAAP measures are described below and are reconciled to the corresponding GAAP measures in the accompanying financial tables.

- GAAP operating income for the third quarter of 2006 was $931 million, or 35% of revenues. This compares to GAAP operating income of $815 million, or 33% of revenues, in the second quarter of 2006. Non-GAAP operating income in the third quarter was $1.03 billion, or 38% of revenues. This compares to non-GAAP operating income of $925 million, or 38% of revenues, in the second quarter.

- GAAP net income for the third quarter of 2006 was $733 million as compared to $721 million in the second quarter. Non-GAAP net income in the third quarter was $812 million, compared to $772 million in the second quarter.

- GAAP EPS for the third quarter of 2006 was $2.36 on 311 million diluted shares outstanding, compared to $2.33 for the second quarter, on 310 million diluted shares outstanding. Non-GAAP EPS in the third quarter was $2.62, compared to $2.49 in the second quarter.

- Non-GAAP operating income, non-GAAP net income, and non-GAAP EPS are computed net of stock-based compensation (SBC). In addition, in the second quarter, we excluded investment gains of $55 million related to the sale of our investment in Baidu from the calculation of non-GAAP net income and non-GAAP EPS. In the third quarter of 2006, the charge related to stock-based compensation was $100 million as compared to $109 million in the second quarter. Tax effects related to SBC charges and the sale of the investment in

Baidu have also been excluded from non-GAAP net income and non-GAAP EPS. The tax benefit related to SBC was $21 million in the third quarter and $26 million in the second quarter. The tax expense related to the investment gains from the sale of the Baidu investment in the second quarter was $23 million. Reconciliations of non-GAAP measures to GAAP operating income, net income, and EPS are included at the end of this release.

Q3 Financial Highlights

Revenues – Google reported revenues of $2.69 billion for the quarter ended September 30, 2006, representing a 70% increase over third quarter 2005 revenues of $1.58 billion and a 10% increase over second quarter 2006 revenues of $2.46 billion. Google reports its revenues, consistent with GAAP, on a gross basis without deducting traffic acquisition costs, or TAC.

Google Sites Revenues - Google-owned sites generated revenues of $1.63 billion, or 60% of total revenues, in the third quarter of 2006. This represents an 84% increase over third quarter 2005 revenues of $885 million and a 14% increase over second quarter 2006 revenues of $1.43 billion.

Google Network Revenues - Google's partner sites generated revenues, through AdSense programs, of $1.04 billion, or 39% of total revenues, in the third quarter of 2006. This is a 54% increase over network revenues of $675 million generated in the third quarter of 2005 and a 4% increase over second quarter 2006 revenues of $997 million.

International Revenues - Revenues from outside of the United States contributed 44% of total revenues in the third quarter of 2006, compared to 42% in the second quarter of 2006 and 39% in the third quarter of 2005. Had foreign exchange rates remained constant from the second quarter through the third quarter of 2006, our revenues in the third quarter of 2006 would have been $19 million lower. Had foreign exchange rates remained constant from the third quarter of 2005 through the third quarter of 2006, our revenues in the third quarter of 2006 would have been $35 million lower.

TAC - Traffic Acquisition Costs, the portion of revenues shared with Google's partners, increased to $825 million in the third quarter of 2006. This compares to TAC of $785 million in the second quarter. TAC as a percentage of advertising revenues decreased to 31% in the third quarter from 32% in the second quarter.

The majority of TAC expense is related to amounts ultimately paid to our AdSense partners, which totaled $780 million in the third quarter of 2006. TAC is also related to amounts ultimately paid to certain distribution partners and others who direct traffic to our website, which totaled $45 million in the third quarter of 2006.

Other Cost of Revenues - Other cost of revenues, which is comprised primarily of data center operational expenses, as well as credit card processing charges, increased to $223 million, or 8% of revenues, in the third quarter of 2006, compared to $204 million, or 8% of revenues, in the second quarter. Other cost of revenues also included stock-based compensation of $2 million in the third quarter of 2006, compared to $2 million in the second quarter of 2006.

Operating Expenses - Operating expenses, other than cost of revenues, were $710 million in the third quarter. These operating expenses included $382 million in payroll-related and facilities expenses, $98 million in stock-based compensation, and $50 million in advertising and promotional expenses, of which $14 million was related to certain distribution deals.

Stock-Based Compensation – In the third quarter, the total charge related to stock-based compensation was $100 million as compared to $109 million in the second quarter.

For the full year, we expect stock-based compensation charges for grants to employees prior to October 1, 2006 to be $377 million. This does not include expenses to be recognized over the remainder of the year related to employee stock awards that are granted after October 1, 2006 or non-employee stock awards that have been or may be granted. We currently anticipate that dilution related to all equity grants to employees will be approximately 1% to 1.5% per year.

Operating Income - GAAP operating income in the third quarter of 2006 was $931 million, or 35% of revenues. This compares to GAAP operating income of $815 million, or 33% of revenues, in the second quarter. Non-GAAP operating income in the third quarter was $1.03 billion, or 38% of revenues. This compares to non-GAAP operating income of $925 million, or 38% of revenues, in the second quarter.

Net Income – GAAP net income for the third quarter of 2006 was $733 million as compared to $721 million in the second quarter. Non-GAAP net income was $812 million in the third quarter, compared to $772 million in the second quarter. GAAP EPS for the third quarter was $2.36 on 311 million diluted shares outstanding, compared to $2.33 for the second quarter, on 310 million diluted shares outstanding. Non-GAAP EPS for the third quarter was $2.62, compared to $2.49 in the second quarter.

Income Taxes – Our effective tax rate was 29% for the third quarter. We currently anticipate that our effective tax rate for the full year will be at or below 30%.

Cash Flow and Capital Expenditures – Net cash provided by operating activities for the third quarter of 2006 totaled $1 billion as compared to $841 million for the second quarter. In the third quarter of 2006, capital expenditures were $492 million, the majority of which was related to IT infrastructure investments, including data centers, servers, and networking equipment. Free cash flow, an alternative non-GAAP measure of liquidity, is defined as net cash provided by operating activities less capital expenditures. In the third quarter, free cash flow was $512 million.

We continue to expect that the growth rate in capital expenditures in 2006 will be substantially greater than the revenue growth rate for the year.

A reconciliation of free cash flow to net cash provided by operating activities, the GAAP measure of liquidity, is included at the end of this release.

Cash – As of September 30, 2006, cash, cash equivalents, and marketable securities were $10.4 billion.

On a worldwide basis, Google employed 9,378 full-time employees as of September 30, 2006, up from 7,942 full time employees as of June 30, 2006.

WEBCAST AND CONFERENCE CALL INFORMATION

A live audio webcast of Google's third quarter 2006 earnings release call will be available at http://investor.google.com/webcast.html. The call begins today at 1:30 PM (PT) / 4:30 PM (ET). This press release, the financial tables, as well as other supplemental information including the reconciliations of certain non-GAAP measures to their nearest comparable GAAP measures, are also available at that site. A replay of the call will be available beginning at 7:30 PM (ET) today through midnight Thursday, October 26, 2006 by calling 888-203-1112 in the United States or 719-457-0820 for calls from outside the United States. The required confirmation code for the replay is 2704080.

FORWARD LOOKING STATEMENTS

This press release contains forward-looking statements that involve risks and uncertainties, including statements relating to the value of our partnerships with eBay, Fox Interactive Media, and Intuit, our plans to acquire YouTube, invest in our business, our expected stock-based compensation charges, the expected dilution related to equity grants to our employees, our anticipated tax rate for 2006, and our expectations regarding the growth rate in our capital expenditures. Actual results may differ materially from the results predicted and reported results should not be considered as an indication of future performance. The potential risks and uncertainties that could cause actual results to differ from the results predicted include, among others, the failure to receive regulatory approval for our proposed acquisition of YouTube, the failure of the other closing conditions in our agreement to purchase YouTube to be satisfied, risks related to our hiring patterns, the amount of stock-based compensation we issue to our service providers, the uncertain and complex nature of tax forecasting, the fact that we may have exposure to greater than expected tax liabilities, and our need to expend capital to accommodate the growth of the business, as well as those risks and uncertainties included under the captions "Risk Factors" and "Management's Discussion and Analysis of Financial Condition and Results of Operations," in our report on Form 10-Q for the quarter ended June 30, 2006, which is on file with the SEC and is available on our investor relations website at investor.google.com and on the SEC's website at www.sec.gov. Additional information will also be set forth in our quarterly report on Form 10-Q for the quarter ended September 30, 2006, which will be filed with the SEC in November 2006. All information provided in this release and in the attachments is as of October 19, 2006, and Google undertakes no duty to update this information.

ABOUT NON-GAAP FINANCIAL MEASURES

To supplement our consolidated financial statements, which statements are prepared and presented in accordance with GAAP, we use the following non-GAAP financial measures: non-GAAP operating income, non-GAAP net income, non-GAAP operating margins, non-GAAP EPS and free cash flow. The presentation of this financial information is not intended to be considered in isolation or as a substitute for, or superior to, the financial information prepared and presented in accordance with GAAP. For more information on these non-GAAP financial measures, please see the tables captioned "Reconciliations of non-GAAP results of operations measures to the nearest comparable GAAP measures" and "Reconciliation from net cash provided by operating activities to free cash flow" included at the end of this release.

We use these non-GAAP financial measures for financial and operational decision making and as a means to evaluate period-to-period comparisons. Our management believes that these non-GAAP financial measures provide meaningful supplemental information regarding our performance and liquidity by excluding certain expenses and expenditures that may not be indicative of our "recurring core business operating results," meaning our operating performance excluding not only non-cash charges, such as stock-based compensation, but also discrete cash charges that are infrequent in nature, such as gains from the sale of investments and the related tax effects of such non-cash charges. We believe that both management and investors benefit from referring to these non-GAAP financial measures in assessing our performance and when planning, forecasting and analyzing future periods. These non-GAAP financial measures also facilitate management's internal comparisons to our historical performance and liquidity as well as comparisons to our competitors' operating results. We believe these non-GAAP financial measures are useful to investors both because (1) they allow for greater transparency with respect to key metrics used by management in its financial and operational decision making and (2) they are used by our institutional investors and the analyst community to help them analyze the health of our business.

Non-GAAP operating income and operating margin. We define non-GAAP operating income as operating income minus stock-based compensation. We define non-GAAP operating margin as non-GAAP operating income divided by revenues. Google considers these non-GAAP financial measures to be useful metrics for management and investors because they exclude the effect of stock-based compensation so that Google's management and investors can compare Google's recurring core business operating results over multiple periods. We believe that, given our recent adoption of SFAS 123R, it is difficult for investors to evaluate our GAAP results of operations on a year-over-year basis because our GAAP results of operations for 2005 calculated our stock-based compensation expense in a different manner than that required under SFAS 123R. Therefore, investors cannot compare the year-over-year results of our recurring core business operating results unless we exclude these non-cash charges that result from two different accounting methods. Moreover, because of varying available valuation methodologies, subjective assumptions and the variety of award types that companies can use when adopting SFAS 123R, Google's management believes that providing a non-GAAP financial measure that excludes stock-based compensation allows investors to make meaningful comparisons between Google's recurring core business operating results and those of other companies, as well as providing Google's management with an important tool for financial and operational decision making and for evaluating Google's own recurring core business operating results over different periods of time. There are a number of limitations related to the use of non-GAAP operating income versus operating income calculated in accordance with GAAP. First, non-GAAP operating income excludes some costs, namely, stock-based compensation, that are recurring. Stock-based compensation has been and will continue to be for the foreseeable future a significant recurring expense in Google's business. Second, stock-based compensation is an important part of our employees' compensation and impacts their performance. Third, the components of the costs that we exclude in our calculation of non-GAAP operating income may differ from the components that our peer companies exclude when they report their results of operations. Management compensates for these limitations by providing specific information regarding the GAAP amounts excluded from non-GAAP operating income and evaluating non-GAAP operating income together with operating income calculated in accordance with GAAP.

Non-GAAP net income and non-GAAP EPS. We define non-GAAP net income as net income minus stock-based compensation and, for the second quarter of 2006, the gains from the sale of our investment in Baidu, as well as the related tax effects of such items. We define non-GAAP EPS as non-GAAP net income divided by the weighted average shares, on a fully-diluted basis, outstanding as of September 30, 2006. We consider these non-GAAP financial measures to be a useful metric for management and investors for the same reasons that Google uses non-GAAP operating income and non-GAAP operating margin. However, in order to provide a complete picture of our recurring core business operating results, we exclude from non-GAAP net income and non-GAAP EPS the tax effects associated with stock-based compensation and the gains from the sale of our investment in Baidu in the second quarter of 2006. Without excluding these tax effects, investors would only see the gross effect that excluding these expenses and gains had on our operating results. The same limitations described above regarding Google's use of non-GAAP operating income and non-GAAP operating margin apply to our use of non-GAAP net income and non-GAAP EPS. Management compensates for these limitations by providing specific information regarding the GAAP amounts excluded from non-GAAP net income and non-GAAP EPS and evaluating non-GAAP net income and non-GAAP EPS together with net income and EPS calculated in accordance with GAAP.

Free cash flow. We define free cash flow as net cash provided by operating activities minus capital expenditures. We consider free cash flow to be a liquidity measure that provides useful information to management and investors about the amount of cash generated by the business that, after the acquisition of property and equipment, including information technology infrastructure and land and buildings, can be used for strategic opportunities, including investing in our business, making strategic acquisitions and strengthening the balance sheet. Analysis of free cash flow also facilitates management's comparisons of our operating results to competitors' operating results. A limitation of using free cash flow versus the GAAP measure of net cash provided by operating activities as a means for evaluating Google is that free cash flow does not represent the total increase or decrease in the cash balance from operations for the period since it excludes cash used for capital expenditures during the period. Our management compensates for this limitation by providing information about our capital expenditures on the face of the cash flow statement and under Management's Discussion and Analysis of Financial Condition and Results of Operations in its Form 10-Q.

Google has computed free cash flow using the same consistent method from quarter to quarter and year to year.

The accompanying tables have more details on the GAAP financial measures that are most directly comparable to non-GAAP financial measures and the related reconciliations between these financial measures.

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Note to Editors:

Video of CEO Eric Schmidt addressing the third quarter results, capital investments, and other topics will be available in Google's multi media press room (www.google.com/press) and The News Market (www.thenewsmarket.com/google) at 2:30 p.m. PDT in the following formats: broadcast quality MPEG2, QuickTime and WMV.