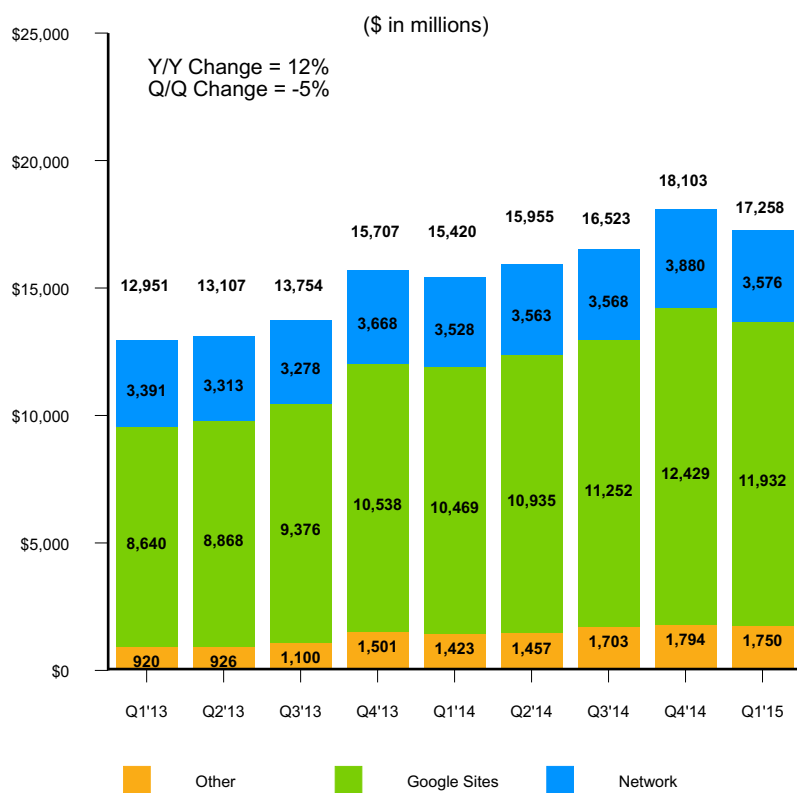


Q1 2015

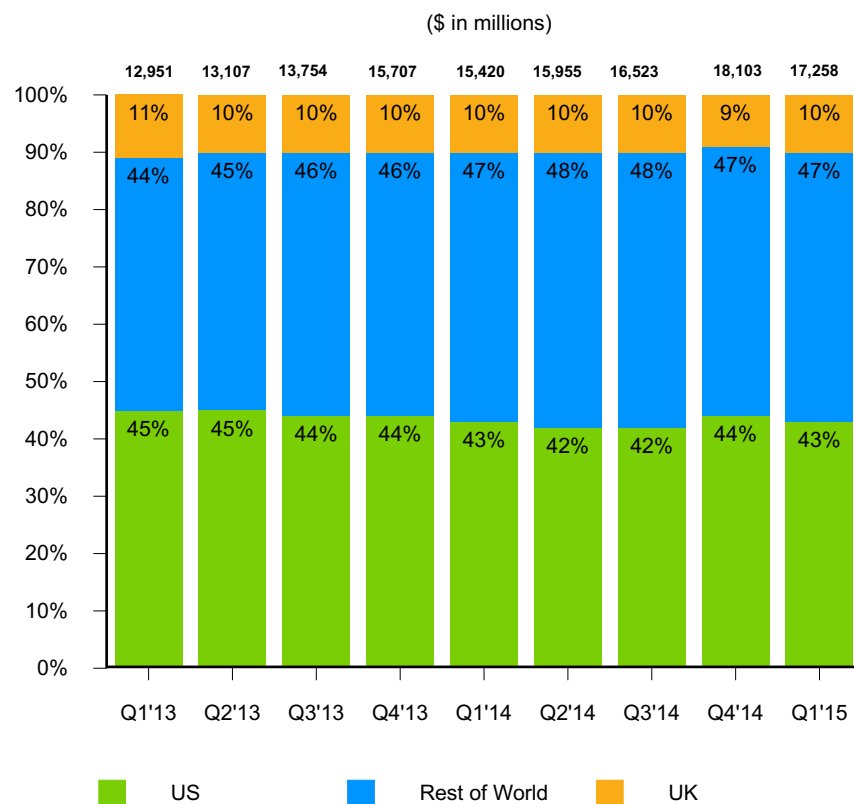
Quarterly Earnings Summary

Quarterly Revenues

Revenues by Revenue Source⁽¹⁾

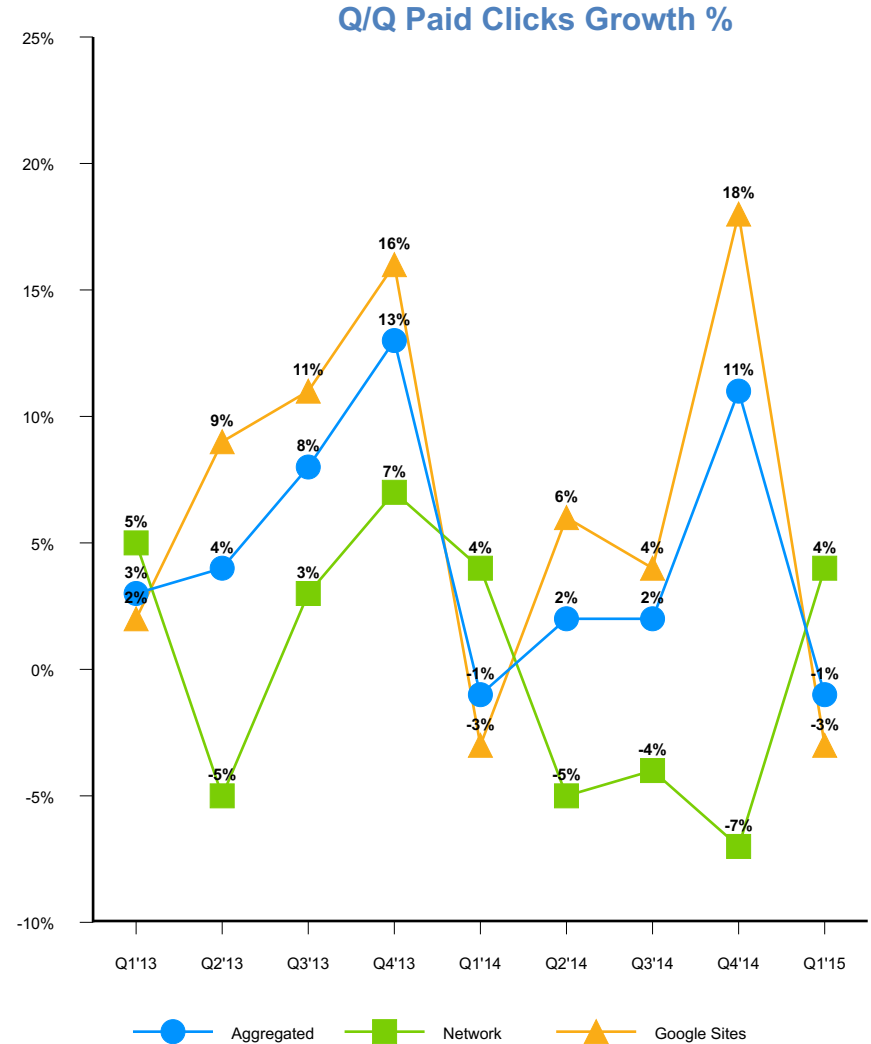
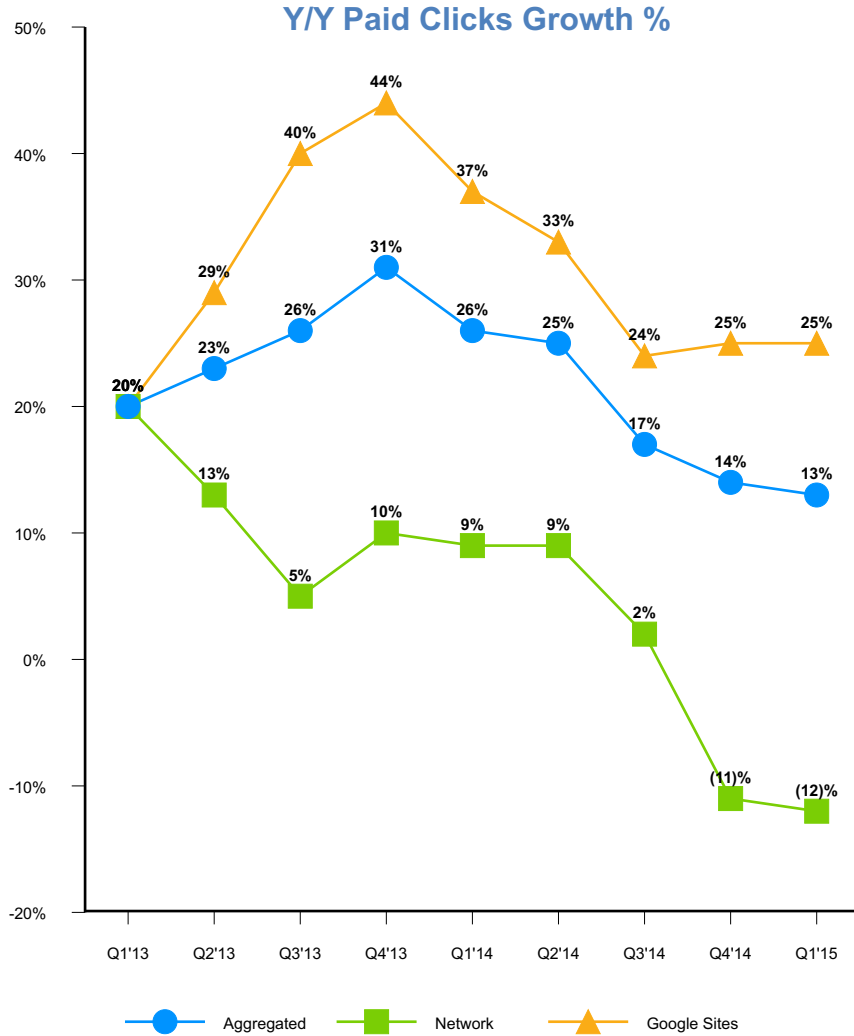


Revenues by Geography



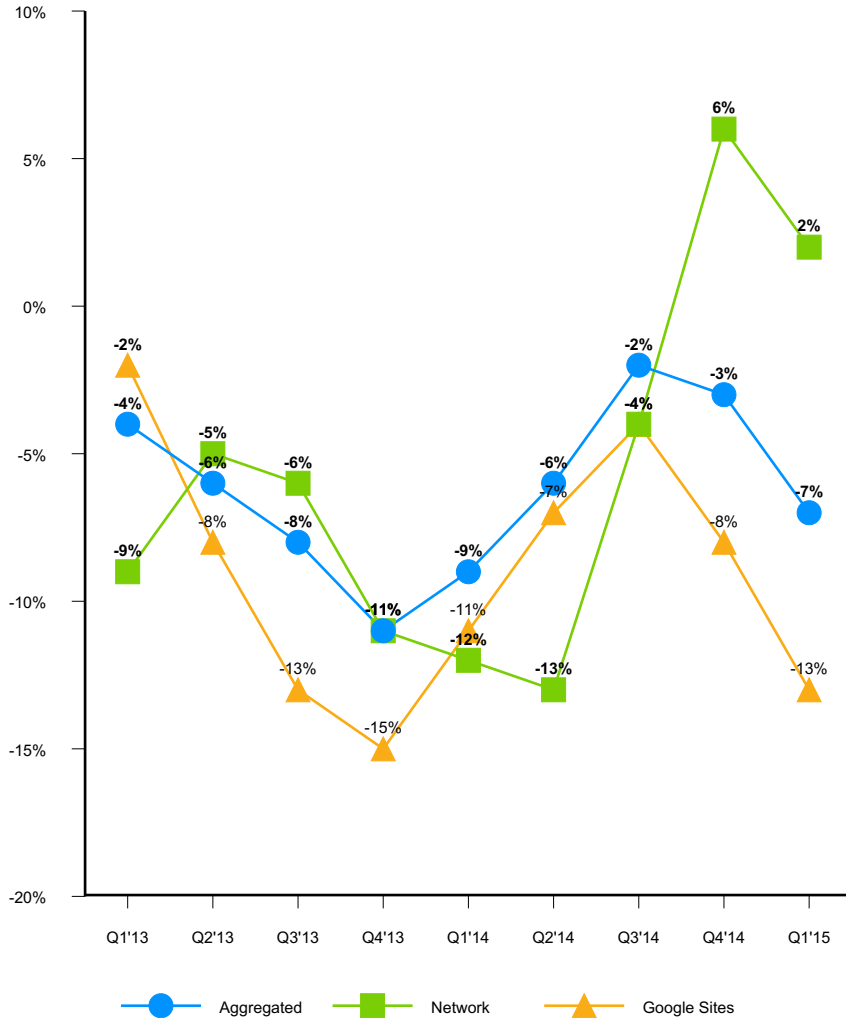
(1) Prior period amounts have been adjusted to reflect the reclassification primarily related to DoubleClick ad serving software revenues from other revenues to advertising revenues from Google Network Members' websites to conform with our current period presentation.

Paid Clicks



Cost-per-Click

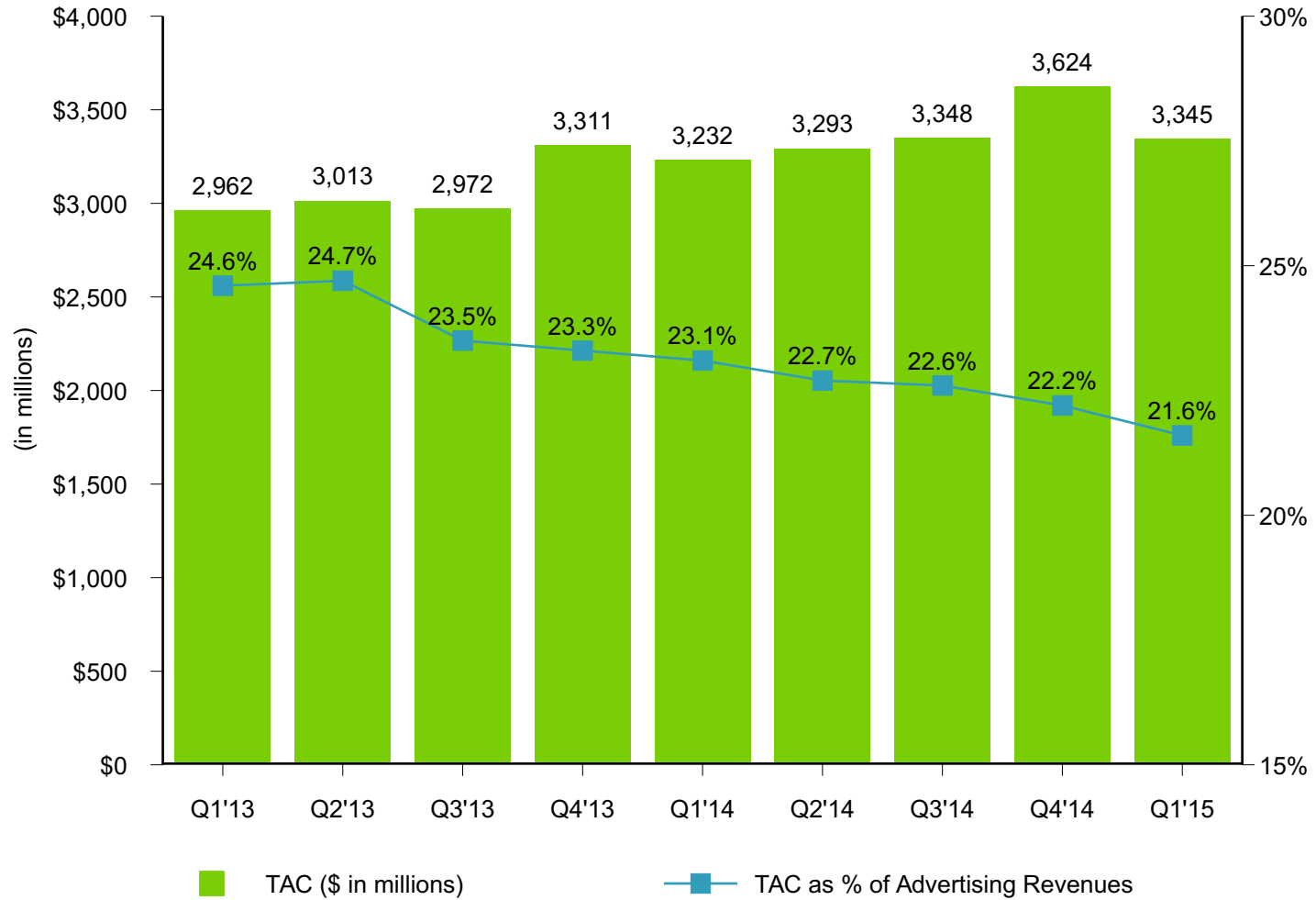
Y/Y Cost-Per-Click Growth %



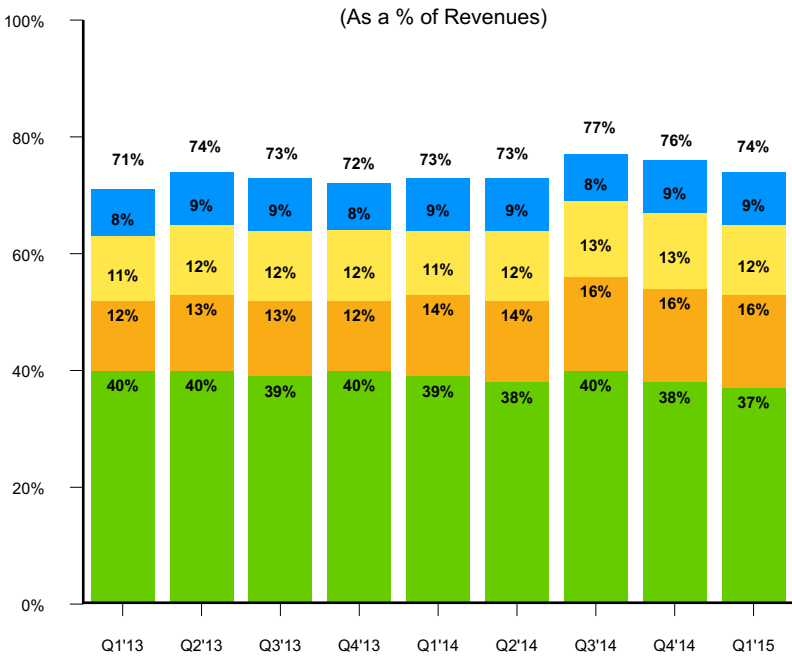
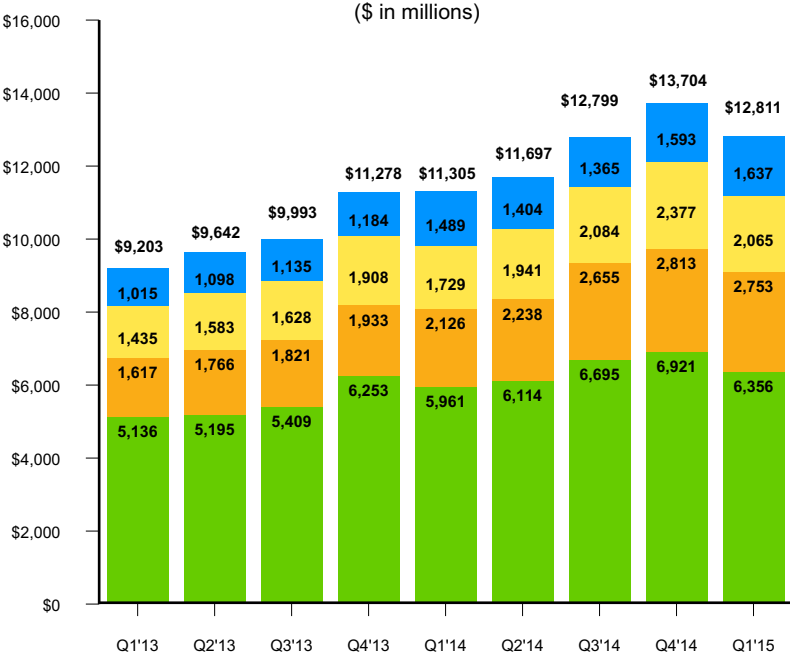
Q/Q Cost-Per-Click Growth %



Traffic Acquisition Costs



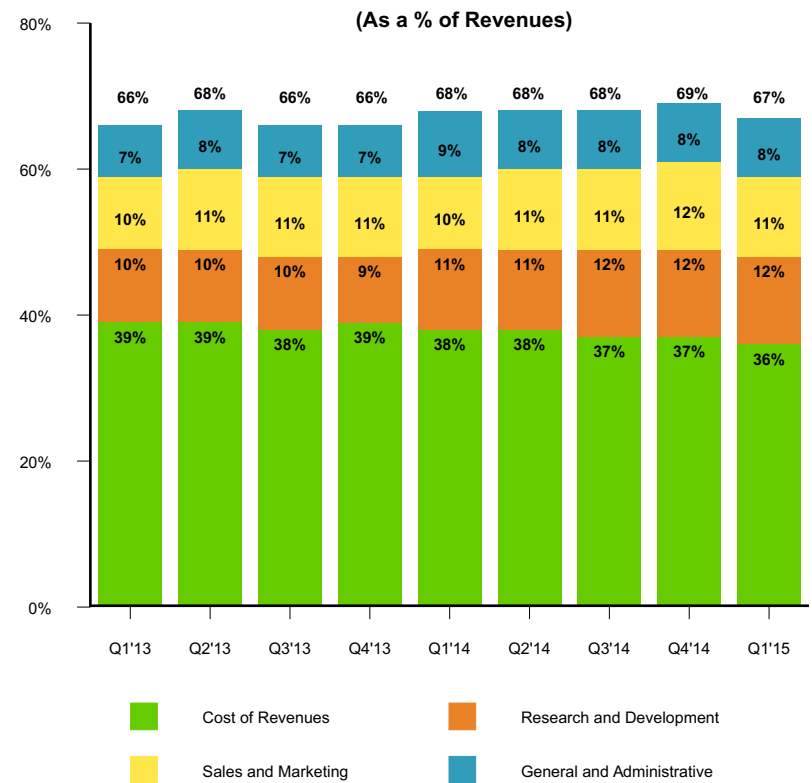
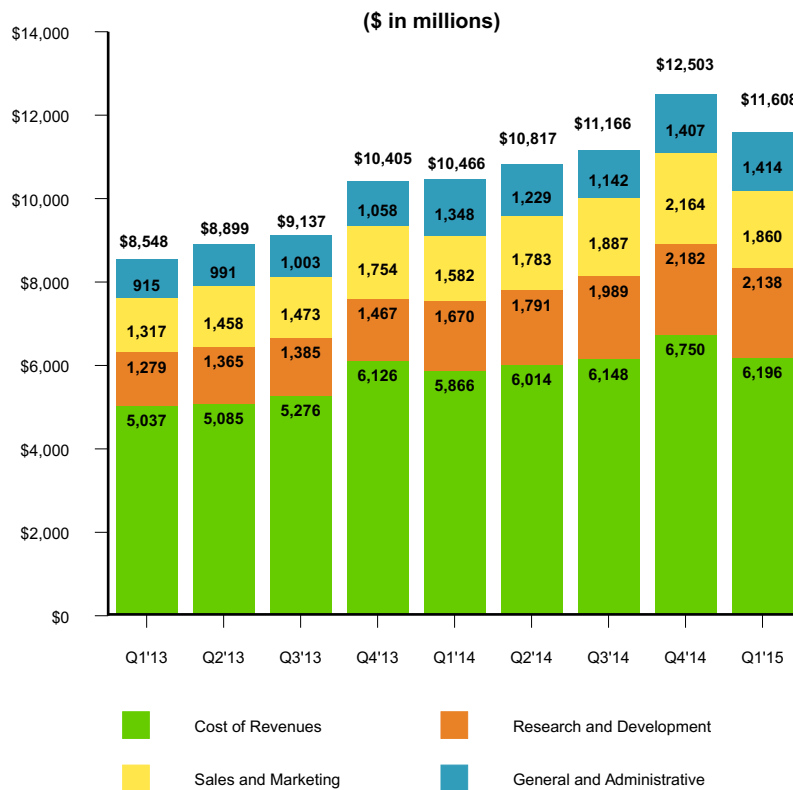
GAAP Costs and Expenses



■ Cost of Revenues ■ Research and Development
■ Sales and Marketing ■ General and Administrative

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■ Sales and Marketing ■ General and Administrative

Non-GAAP Costs and Expenses



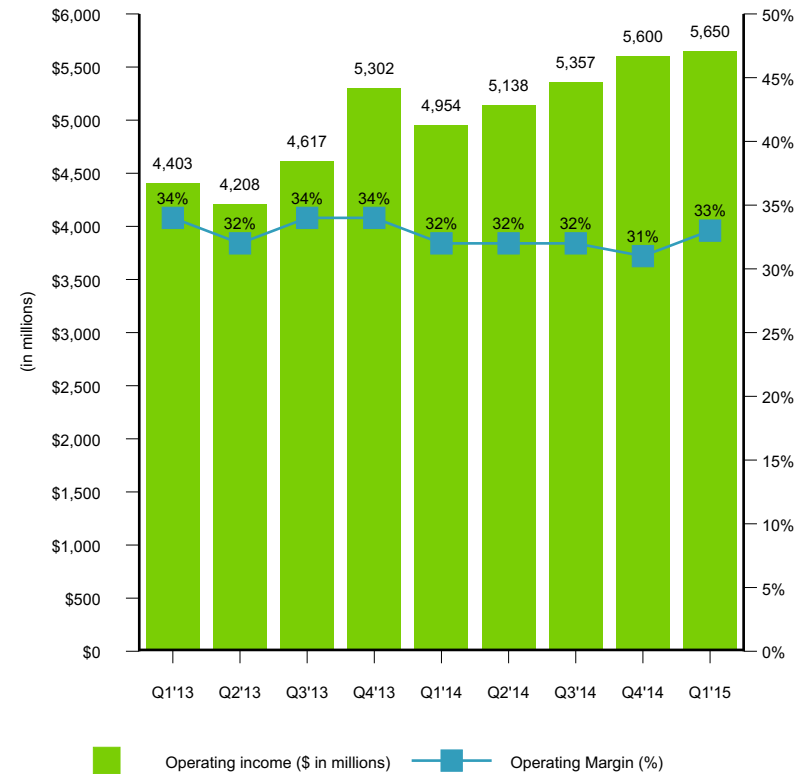
For reconciliation of GAAP to non-GAAP costs and expenses please refer to Table 1 at the end of the slide deck.

Operating Income and Operating Margin

GAAP



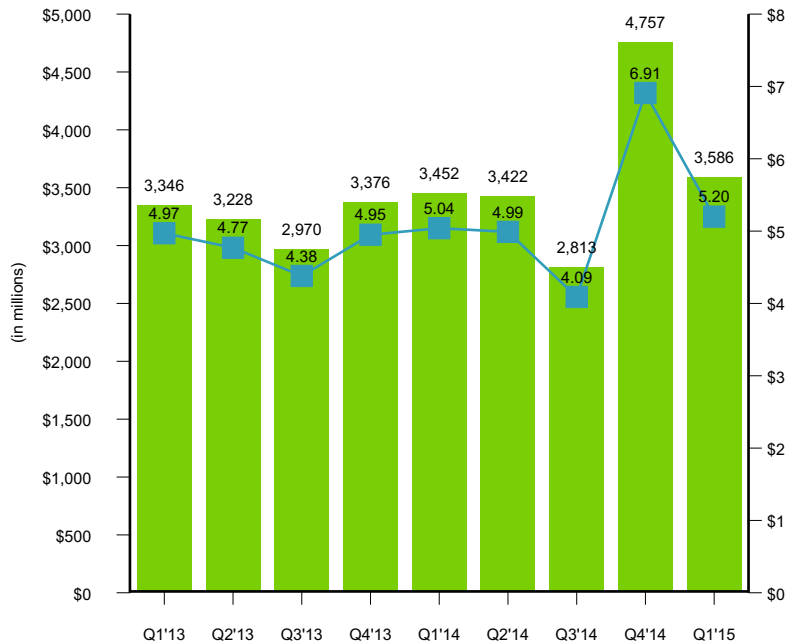
Non-GAAP



For reconciliation of GAAP to non-GAAP operating income please refer to Table 2 at the end of the slide deck.

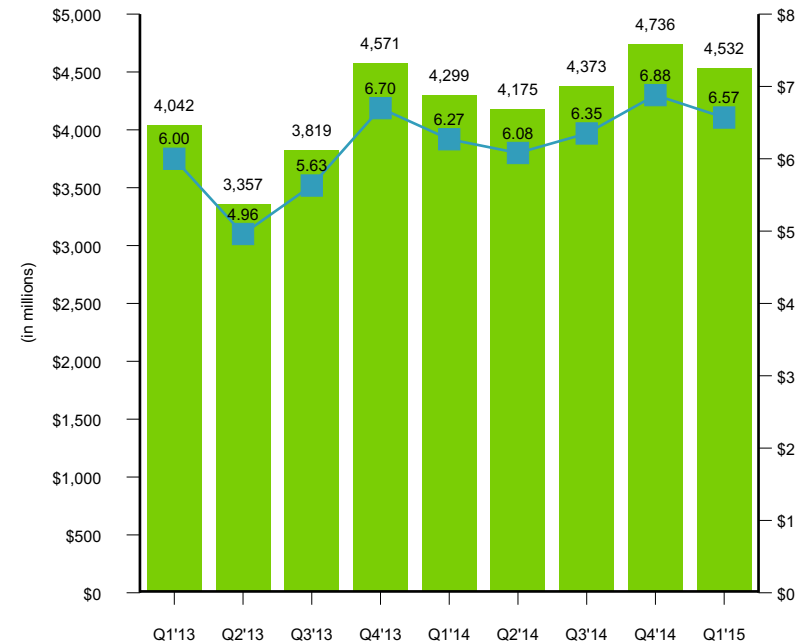
Net Income and Earnings per Share

GAAP



■ GAAP Net income (\$ in millions)
■ GAAP Diluted earnings per share (\$)

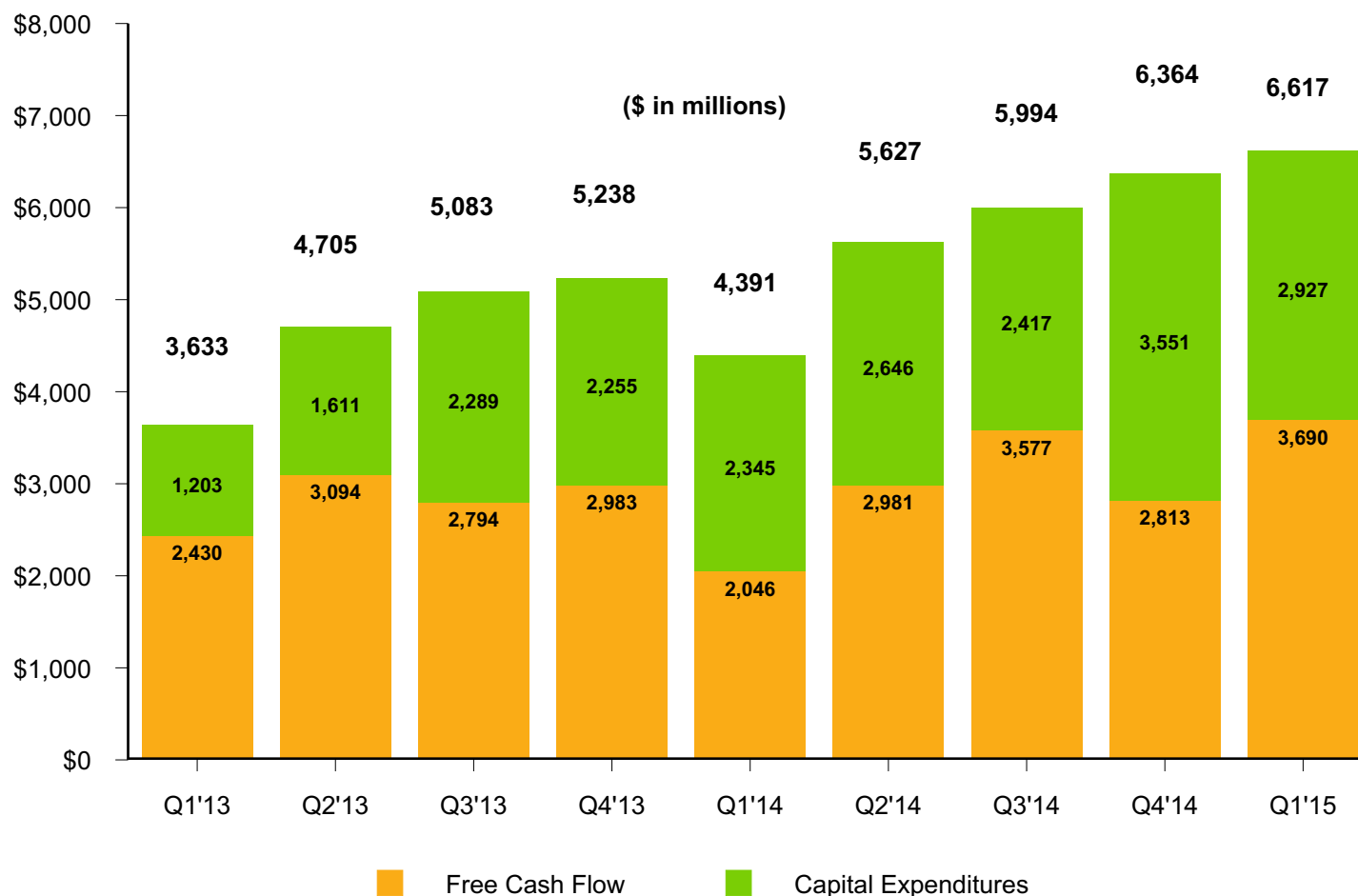
Non-GAAP



■ Non-GAAP Net income (\$ in millions)
■ Non-GAAP Diluted earnings per share (\$)

Please refer to previous press releases for net income and diluted earnings per share on continuing and discontinuing operations base, and Table 2 for GAAP to non-GAAP reconciliations.

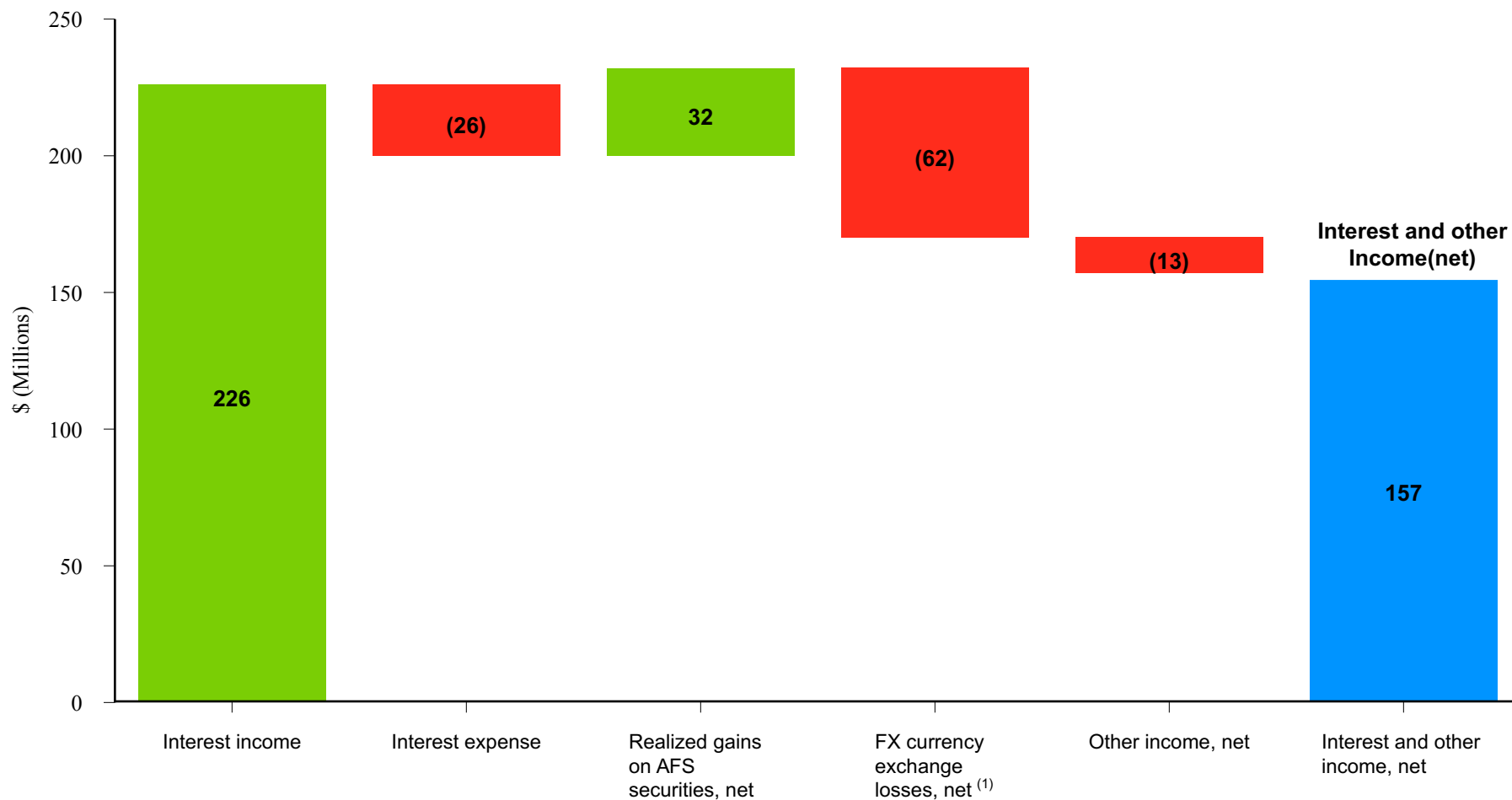
Capital Expenditures & Free Cash Flow



Capital expenditures added to free cash flow equals net cash provided from operating activities on the statement of cash flow.

All numbers include Motorola Home until its date of disposal (April 17, 2013) and Motorola Mobile until its date of disposal (October 29, 2014).

Overview of Q1 2015 OI&E

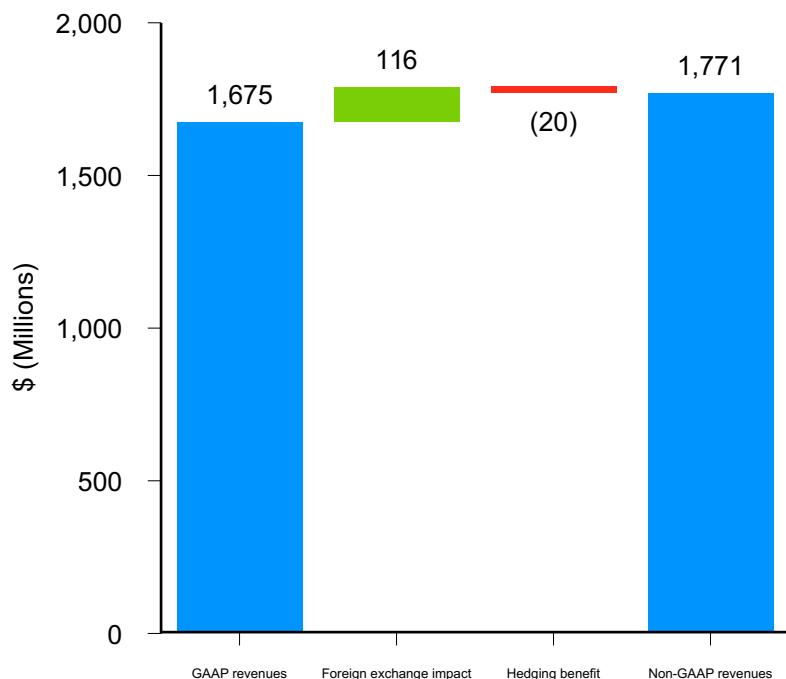


(1) We recognized \$62M of foreign exchange loss, which is primarily related to our FX hedging programs.

FX Impact on Q1'15 Revenues Using Q1'14 Rates (Y/Y)

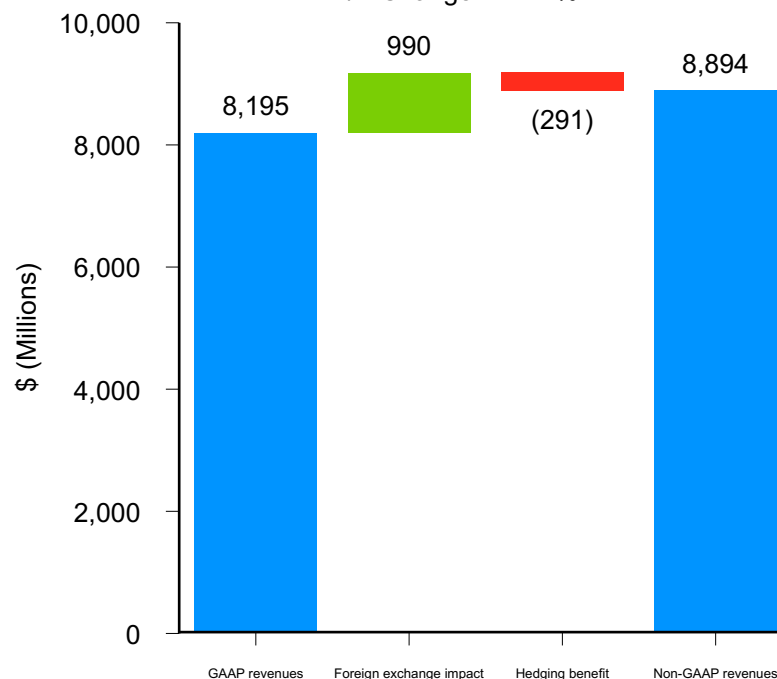
UK Revenues

Y/Y Change⁽¹⁾ = 12%



Rest of World (ROW) Revenues

Y/Y Change⁽²⁾ = 24%

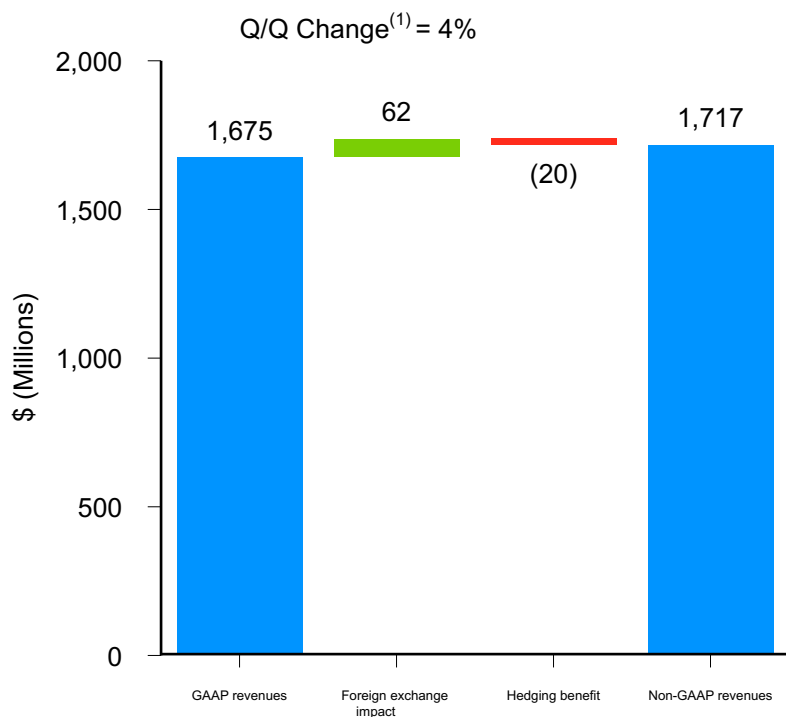


(1) Y/Y change is calculated as Q1'15 fixed revenue of \$1,771M compared with Q1'14 revenues of \$1,583M (UK GAAP revenue of \$1,583M less hedge benefit of \$0M).

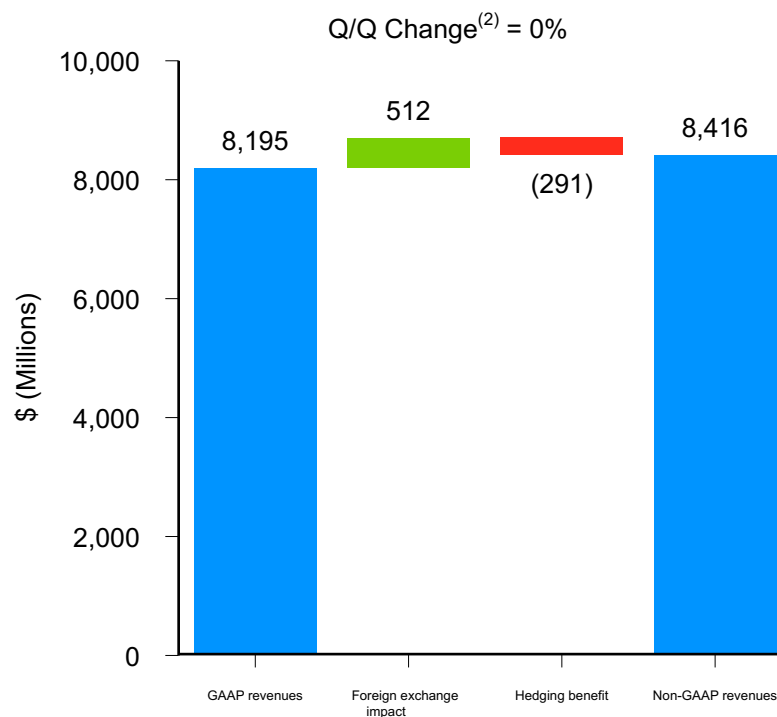
(2) Y/Y change is calculated as Q1'15 fixed revenue of \$8.894 compared with Q1'14 revenues of \$7,173M (ROW GAAP revenue of \$7,181M less hedge benefit of \$8M).

FX Impact on Q1'15 Revenues Using Q4'14 Rates (Q/Q)

UK Revenues



Rest of World (ROW) Revenues



(1) Q/Q change is calculated as Q1'15 Fixed revenue of \$1,717M compared with Q4'14 revenues of \$1,654M (UK GAAP revenue of \$1,657M less hedge benefit of \$3M).

(2) Q/Q change is calculated as Q1'15 Fixed revenue of \$8,416M compared with Q4'14 revenues of \$8,423M (ROW GAAP revenue of \$8,568M less hedge benefit of \$145M).

Table 1 - Reconciliations of consolidated GAAP to non-GAAP costs and expenses

	\$ in millions								
	Q1'13	Q2'13	Q3'13	Q4'13	Q1'14	Q2'14	Q3'14	Q4'14	Q1'15
Cost of Revenues (GAAP)	\$5,136	\$5,195	\$5,409	\$6,253	\$5,961	\$6,114	\$6,695	\$6,921	\$6,356
<i>Less: Non-GAAP adjustments⁽¹⁾</i>	(99)	(110)	(133)	(127)	(95)	(100)	(547) ⁽²⁾	(171)	(160)
Cost of Revenues (non-GAAP)	\$5,037	\$5,085	\$5,276	\$6,126	\$5,866	\$6,014	\$6,148	\$6,750	\$6,196
Research & Development (GAAP)	\$1,617	\$1,766	\$1,821	\$1,933	\$2,126	\$2,238	\$2,655	\$2,813	\$2,753
<i>Less: Non-GAAP adjustments⁽¹⁾</i>	(338)	(401)	(436)	(466)	(456)	(447)	(666)	(631)	(615)
Research & Development (non-GAAP)	\$1,279	\$1,365	\$1,385	\$1,467	\$1,670	\$1,791	\$1,989	\$2,182	\$2,138
Sales & Marketing (GAAP)	\$1,435	\$1,583	\$1,628	\$1,908	\$1,729	\$1,941	\$2,084	\$2,377	\$2,065
<i>Less: Non-GAAP adjustments⁽¹⁾</i>	(118)	(125)	(155)	(154)	(147)	(158)	(197)	(213)	(205)
Sales & Marketing (non-GAAP)	\$1,317	\$1,458	\$1,473	\$1,754	1,582	1,783	1,887	2,164	\$1,860
General & Administrative (GAAP)	\$1,015	\$1,098	\$1,135	\$1,184	\$1,489	\$1,404	\$1,365	\$1,593	\$1,637
<i>Less: Non-GAAP adjustments⁽¹⁾</i>	(100)	(107)	(132)	(126)	(141)	(175)	(223)	(186)	(223)
General & Administrative (non-GAAP)	\$915	\$991	\$1,003	\$1,058	\$1,348	\$1,229	\$1,142	\$1,407	\$1,414
Total Costs & Expenses (GAAP)	\$9,203	\$9,642	\$9,993	\$11,278	\$11,305	\$11,697	\$12,799	\$13,704	\$12,811
<i>Less: Non-GAAP adjustments⁽¹⁾</i>	(655)	(743)	(856)	(873)	(839)	(880)	(1,633)	(1,201)	(1,203)
Total Costs & Expenses (non-GAAP)	\$8,548	\$8,899	\$9,137	\$10,405	\$10,466	\$10,817	\$11,166	\$12,503	\$11,608

(1) Compromised of stock based compensation expense

(2) Includes a \$378M impairment charge related to a patent licensing royalty asset acquired in the purchase of Motorola

Table 2 - Reconciliations of non-GAAP consolidated results of operations measures to the nearest comparable GAAP measures

<i>(\$ in millions)</i>	Q1'13	Q2'13	Q3'13	Q4'13	Q1'14	Q2'14	Q3'14	Q4'14	Q1'15
Income from operations (GAAP)	\$3,748	\$3,465	\$3,761	\$4,429	\$4,115	\$4,258	\$3,724	\$4,399	\$4,447
<i>Add: Stock-based compensation expense (SBC) from continuing operations</i>	\$655	\$743	\$856	\$873	\$839	\$880	\$1,255	\$1,201	\$1,203
<i>Add: Impairment charge related to a patent licensing royalty asset</i>	\$—	\$—	\$—	\$—	\$—	\$—	\$378	\$—	\$—
Income from operations (non-GAAP)	\$4,403	\$4,208	\$4,617	\$5,302	\$4,954	\$5,138	\$5,357	\$5,600	\$5,650
<i>(\$ in millions)</i>	Q1'13	Q2'13	Q3'13	Q4'13	Q1'14	Q2'14	Q3'14	Q4'14	Q1'15
Net income (GAAP)	\$3,346	\$3,228	\$2,970	\$3,376	\$3,452	\$3,422	\$2,813	\$4,757	\$3,586
<i>Add: Stock-based compensation expense (net of tax)⁽¹⁾</i>	\$514	\$583	\$656	\$689	\$649	\$685	\$997	\$946	\$946
<i>Add: Impairment charge related to a patent licensing royalty asset acquired in connection with the purchase of Motorola</i>	\$—	\$—	\$—	\$—	\$—	\$—	\$378	\$—	\$—
<i>Add: Net loss (income) from discontinued operations</i>	\$182	\$(454)	\$193	\$506	\$198	\$68	\$185	\$(967)	\$—
Net income (non-GAAP)	\$4,042	\$3,357	\$3,819	\$4,571	\$4,299	\$4,175	\$4,373	\$4,736	\$4,532

⁽¹⁾ Tax effect of SBC is calculated using tax-deductible portion of SBC and applying entity-specific tax rates.