

Discounted Cash Flow Assumptions

Company Name	Google	Shares Outstanding	273.420
Ticker	Goog	Convertible Note Shares	0.00
Projection Source	Analysts Reports	Options and Warrants	0.00
Date of Projections	2/25/2005	Exercise Price	\$0.00
NOL Limitation (Yes or No)	No		
Start Year	2004		
Exit Year	2009		

TRANSACTION ASSUMPTIONS

Goog FY End:	12/31/2004
Exit FY End:	12/31/2009
Transaction Date:	2/25/2005
Calendar Adjustment Factor:	-0.15

Revenue DISCOUNT ASSUMPTIONS

Base Discount Rate:	10.0%
Incremental Discount Rate:	1.5%

EBITDA DISCOUNT ASSUMPTIONS

Base Discount Rate:	10.0%
Incremental Discount Rate:	1.5%

Net Income DISCOUNT ASSUMPTIONS

Base Discount Rate:	10.0%
Incremental Discount Rate:	1.5%

BALANCE SHEET ADJUSTMENTS

Non-Operating Cash:	\$2,132.0
Short-term Debt:	0.0
Long-term Debt:	0.0

Revenue EXIT MULTIPLE ASSUMPTIONS

Revenue Exit Multiple:	10.0x
Incremental Exit Revenue Multiple:	5.0x
Choose NTM or LTM	LTM

EBITDA EXIT MULTIPLE ASSUMPTIONS

EBITDA Exit Multiple:	20.0x
Incremental Exit EBITDA Multiple:	3.0x
Choose NTM or LTM	LTM

Net Income EXIT MULTIPLE ASSUMPTIONS

Net Income Exit Multiple:	30.0x
Incremental Exit Net Income Multiple:	5.0x
Choose NTM or LTM	LTM

Projected Yearly Income Statement (1)

(\$ in millions)

	December, 31 (1)									
	2003A	2004E	2005P	2006P	2007P	2008P	2009P	2010P	2011P	2012P
Revenues from	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
Revenues from	1,466.0	3,189.0	5,156.0	6,823.0	8,489.0	10,100.0	11,702.0	0.0	100.0	100.0
Revenues from	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Total Revenues	1,466.0	3,189.0	5,156.0	6,823.0	8,489.0	10,100.0	11,702.0	0.0	100.0	100.0
% Growth	NMF	117.5%	61.7%	32.3%	24.4%	19.0%	15.9%	NMF	NMF	0.0%
Cost of Sales	626.0	1,458.0	2,269.0	2,975.0	3,667.0	4,323.0	4,961.0	0.0	0.0	0.0
Gross Profit	840.0	1,731.0	2,887.0	3,848.0	4,822.0	5,777.0	6,741.0	0.0	100.0	100.0
% Growth	1224.9%	106.1%	66.8%	33.3%	25.3%	19.8%	16.7%	NMF	NMF	0.0%
% Gross Margin	57.3%	54.3%	56.0%	56.4%	56.8%	57.2%	57.6%	#DIV/0!	100.0%	100.0%
Operating Expenses										
Research and Development	91.0	226.0	392.0	525.0	628.0	717.0	807.0	0.0	0.0	0.0
As a % of Revenue	6.2%	7.1%	7.6%	7.7%	7.4%	7.1%	6.9%	#DIV/0!	0.0%	0.0%
Sales, General and Administrative	177.0	386.0	670.0	887.0	1,082.0	1,263.0	1,434.0	0.0	0.0	0.0
As a % of Revenue	12.1%	12.1%	13.0%	13.0%	12.7%	12.5%	12.3%	#DIV/0!	0.0%	0.0%
Stock Based Compensation	229.0	279.0	232.0	218.0	195.0	192.0	187.0			
Total Operating Expenses (Excludes D & A)	497.0	891.0	1,294.0	1,630.0	1,905.0	2,172.0	2,428.0	0.0	0.0	0.0
EBITDA	398.0	989.0	1,859.0	2,576.0	3,328.0	4,086.0	4,881.0	#DIV/0!	103.8	103.8
% Growth	915.3%	148.5%	88.0%	38.6%	29.2%	22.8%	19.5%	#DIV/0!	#DIV/0!	0.0%
% EBITDA Margin	27.1%	31.0%	36.1%	37.8%	39.2%	40.5%	41.7%	#DIV/0!	103.8%	103.8%
Depreciation/Amortization	55.0	149.0	266.0	358.0	411.0	481.0	568.0	#DIV/0!	3.8	3.8
EBIT	343.0	840.0	1,593.0	2,218.0	2,917.0	3,605.0	4,313.0	#DIV/0!	100.0	100.0
EBIT Margin	23.4%	26.3%	30.9%	32.5%	34.4%	35.7%	36.9%	#DIV/0!	100.0%	100.0%
Other Income (Expense)										
Interest Income, net	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Interest Expense	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Other Income (Expense)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Net Interest & Other Income/(Expense)	4.0	10.0	39.0	71.0	100.0	137.0	184.0	0.0	0.0	0.0
Pre-tax Income	347.0	850.0	1,632.0	2,289.0	3,017.0	3,742.0	4,497.0	#DIV/0!	100.0	100.0
Tax Expense (2)	241.0	251.0	703.0	902.0	1,124.0	1,338.0	1,545.0	#DIV/0!	40.0	40.0
Tax Rate	69.5%	29.5%	43.1%	39.4%	37.3%	35.8%	34.4%	#DIV/0!	40.0%	40.0%
Net Income	\$106.0	\$599.0	\$929.0	\$1,387.0	\$1,893.0	\$2,404.0	\$2,952.0	#DIV/0!	\$60.0	\$60.0
% Growth	NMF	465.1%	55.1%	49.3%	36.5%	27.0%	22.8%	#DIV/0!	#DIV/0!	0.0%

1) Projections per Analysts Reports dated 02/25/05.

2) Assumes tax rate of 40.0% and no NOL.

Project Google

Projected Yearly Free Cash Flow

(\$ in millions)

	December, 31 (1)									
	2003A	2004E	2005P	2006P	2007P	2008P	2009P	2010P	2011P	2012P
Tax Adjusted EBIT	\$104.8	\$592.0	\$906.8	\$1,344.0	\$1,830.3	\$2,316.0	\$2,831.2	#DIV/0!	\$60.0	\$60.0
Plus Depreciation & Amortization	55.0	149.0	266.0	358.0	411.0	481.0	568.0	#DIV/0!	3.8	3.8
As a % of Sales	3.8%	4.7%	5.2%	5.2%	4.8%	4.8%	4.9%	#DIV/0!	3.8%	3.8%
Less Increase in Net Working Capital	(9.0)	230.0	(192.0)	7.0	10.0	16.0	21.0	#DIV/0!	#DIV/0!	#DIV/0!
% Growth	NMF	NMF	-183.5%	-103.6%	42.9%	60.0%	31.3%	#DIV/0!	#DIV/0!	#DIV/0!
Operating Cash Flow	168.8	511.0	1,364.8	1,695.0	2,231.3	2,781.0	3,378.2	#DIV/0!	#DIV/0!	#DIV/0!
Capital Expenditures	(177.0)	(319.0)	(447.0)	(558.0)	(636.0)	(687.0)	(735.0)	0.0	0.0	0.0
As a % of Sales	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Acquisition Capital Expenditures	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Less Total Capital Expenditures	(177.0)	(319.0)	(447.0)	(558.0)	(636.0)	(687.0)	(735.0)	0.0	0.0	0.0
As a % of Sales	-12.1%	-10.0%	-8.7%	-8.2%	-7.5%	-6.8%	-6.3%	#DIV/0!	0.0%	0.0%
Free Cash Flow	\$345.8	\$830.0	\$1,811.8	\$2,253.0	\$2,867.3	\$3,468.0	\$4,113.2	#DIV/0!	#DIV/0!	#DIV/0!
Assumptions:										
Days Sales Outstanding	38.5	38.0	38.0	38.0	38.0	38.0	38.0	38.0	38.0	38.0
Days Payable	11.5	15.0	15.0	15.0	15.0	15.0	15.0	15.0	15.0	15.0
Inventory Turnover ratio	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Other Assets	71.0	249.0	354.0	446.0	538.0	627.0	715.0	#DIV/0!	#DIV/0!	#DIV/0!
Accounts Receivable	155.0	312.0	537.0	710.0	884.0	1,052.0	1,218.0	0.0	10.4	10.4
Current Liabilities	235.0	340.0	862.0	1,120.0	1,376.0	1,617.0	1,850.0	0.0	0.0	0.0
Net Working Capital	(9.0)	221.0	29.0	36.0	46.0	62.0	83.0	#DIV/0!	#DIV/0!	#DIV/0!
NOL Calculation (2)										
FYE 2002 NOL										\$0.0
Transaction Value										\$500.0
Limitation										5.000%
Available NOL										\$0.0
Tax Rate	40.0%	40.0%	40.0%	40.0%	40.0%	40.0%	40.0%	40.0%	40.0%	40.0%
Beginning Pre-Trans. NOLs	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Loss/(Applied Pre-Trans. NOLs)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	#DIV/0!	0.0	0.0
Ending Pre-Trans. NOLs	0.0	0.0	0.0	0.0	0.0	0.0	0.0	#DIV/0!	0.0	0.0
Beginning Post-Trans. NOLs	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Loss/(Applied Post-Trans. NOLs)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	#DIV/0!	0.0	0.0
Ending Post-Trans. NOLs	0.0	0.0	0.0	0.0	0.0	0.0	0.0	#DIV/0!	0.0	0.0
PreTax Income	347.0	850.0	1,632.0	2,289.0	3,017.0	3,742.0	4,497.0	#DIV/0!	100.0	100.0
Applied NOL	0.0	0.0	0.0	0.0	0.0	0.0	0.0	#DIV/0!	0.0	0.0
Taxable Income	347.0	850.0	1,632.0	2,289.0	3,017.0	3,742.0	4,497.0	#DIV/0!	100.0	100.0
Tax Expense	241.0	251.0	703.0	902.0	1,124.0	1,338.0	1,545.0	#DIV/0!	40.0	40.0

1) Projections per Analysts Reports dated 02/25/05.
2) Assumes transaction closes on February 25, 2005.

Project Google

Projected Yearly Free Cash Flow To Equity

(\$ in millions)

	December, 31 (1)									
	2003A	2004E	2005E	2006P	2007P	2008P	2009P	2010P	2011P	2012P
Net Income	\$106.0	\$599.0	\$929.0	\$1,387.0	\$1,893.0	\$2,404.0	\$2,952.0	#DIV/0!	\$60.0	\$60.0
Plus Depreciation & Amortization	55.0	149.0	266.0	358.0	411.0	481.0	568.0	#DIV/0!	3.8	3.8
As a % of Sales	3.8%	4.7%	5.2%	5.2%	4.8%	4.8%	4.9%	#DIV/0!	3.8%	3.8%
Less Increase in Net Working Capital	(9.0)	230.0	(192.0)	7.0	10.0	16.0	21.0	#DIV/0!	#DIV/0!	#DIV/0!
% Growth	NMF	NMF	-183.5%	-103.6%	42.9%	60.0%	31.3%	#DIV/0!	#DIV/0!	#DIV/0!
Operating Cash Flow	170.0	518.0	1,387.0	1,738.0	2,294.0	2,869.0	3,499.0	#DIV/0!	#DIV/0!	#DIV/0!
Capital Expenditures	(177.0)	(319.0)	(447.0)	(558.0)	(636.0)	(687.0)	(735.0)	0.0	0.0	0.0
As a % of Sales	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Acquisition Capital Expenditures	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Less Total Capital Expenditures	(177.0)	(319.0)	(447.0)	(558.0)	(636.0)	(687.0)	(735.0)	0.0	0.0	0.0
As a % of Sales	-12.1%	-10.0%	-8.7%	-8.2%	-7.5%	-6.8%	-6.3%	#DIV/0!	0.0%	0.0%
Free Cash Flow to Equity	\$347.0	\$837.0	\$1,834.0	\$2,296.0	\$2,930.0	\$3,556.0	\$4,234.0	#DIV/0!	#DIV/0!	#DIV/0!

1) Projections per Analysts Reports dated 02/25/05.

Project Google

Discounted Cash Flow Assumptions - LTM Revenue Multiple

3/20/2005
6:22 PM

TRANSACTION ASSUMPTIONS	
Goog FY End:	12/31/2004
Exit FY End:	12/31/2009
Transaction Date:	2/25/2005
Calendar Adjustment Factor:	-0.15

BALANCE SHEET ADJUSTMENTS	
Non-Operating Cash:	\$2,132.0
Short-term Debt:	0.0
Long-term Debt:	0.0

DISCOUNT ASSUMPTIONS	
Base Discount Rate:	10.0%
Incremental Discount Rate:	1.5%

EXIT MULTIPLE ASSUMPTIONS	
LTM Revenue Exit Multiple:	10.0x
Incremental Exit Revenue Multiple:	5.0x
Exit LTM Revenue: (FY2009) (1)	\$11,702.0

Net Cash Flows ⁽²⁾	2004	2005	2006	2007	2008	2009
		\$(124.5)	\$1,811.8	\$2,253.0	\$2,867.3	\$3,468.0

	10.0% Discount Rate		
	10.0x	15.0x	20.0x
Revenue Multiple			
Terminal Enterprise Value	\$117,020.0	\$175,530.0	\$234,040.0
Present Value of Terminal Value	73,711.3	110,566.9	147,422.5
Present Value of Cash Flows	11,137.1	11,137.1	11,137.1
Enterprise Value	\$84,848.4	\$121,704.0	\$158,559.7
Cash	\$2,132.0	\$2,132.0	\$2,132.0
Short-term Debt	0.0	0.0	0.0
Long-term Debt	0.0	0.0	0.0
Implied Equity Value	\$86,980.4	\$123,836.0	\$160,691.7
Shares Outstanding	273.420	273.420	273.420
Convertible Note Shares	0.000	0.000	0.000
Options and Warrants	0.000	0.000	0.000
Ex. Price	\$0.00	\$0.00	\$0.00
Diluted Shares Outstanding	273.420	273.420	273.420
Implied Equity per Share	\$318.12	\$452.91	\$587.71

	11.5% Discount Rate		
	10.0x	15.0x	20.0x
Terminal Enterprise Value	\$117,020.0	\$175,530.0	\$234,040.0
Present Value of Terminal Value	69,025.5	103,538.2	138,050.9
Present Value of Cash Flows	10,753.7	10,753.7	10,753.7
Enterprise Value	\$79,779.2	\$114,291.9	\$148,804.7
Cash	\$2,132.0	\$2,132.0	\$2,132.0
Short-term Debt	0.0	0.0	0.0
Long-term Debt	0.0	0.0	0.0
Implied Equity Value	\$81,911.2	\$116,423.9	\$150,936.7
Shares Outstanding	273.420	273.420	273.420
Convertible Note Shares	0.000	0.000	0.000
Options and Warrants	0.000	0.000	0.000
Ex. Price	\$0.00	\$0.00	\$0.00
Diluted Shares Outstanding	273.420	273.420	273.420
Implied Equity per Share	\$299.58	\$425.81	\$552.03

	13.0% Discount Rate		
	10.0x	15.0x	20.0x
Terminal Enterprise Value	\$117,020.0	\$175,530.0	\$234,040.0
Present Value of Terminal Value	64,694.3	97,041.4	129,388.6
Present Value of Cash Flows	10,392.0	10,392.0	10,392.0
Enterprise Value	\$75,086.3	\$107,433.4	\$139,780.6
Cash	\$2,132.0	\$2,132.0	\$2,132.0
Short-term Debt	0.0	0.0	0.0
Long-term Debt	0.0	0.0	0.0
Implied Equity Value	\$77,218.3	\$109,565.4	\$141,912.6
Shares Outstanding	273.420	273.420	273.420
Convertible Note Shares	0.000	0.000	0.000
Options and Warrants	0.000	0.000	0.000
Ex. Price	\$0.00	\$0.00	\$0.00
Diluted Shares Outstanding	273.420	273.420	273.420
Implied Equity per Share	\$282.42	\$400.72	\$519.03

% in Free Cash Flows	13.1%	9.2%	7.0%	13.5%	9.4%	7.2%	13.8%	9.7%	7.4%
% in Terminal Value	86.9%	90.8%	93.0%	86.5%	90.6%	92.8%	86.2%	90.3%	92.6%

Implied Enterprise Value as a Multiple of:⁽¹⁾

2004 Revenues	26.6x	38.2x	49.7x	25.0x	35.8x	46.7x	23.5x	33.7x	43.8x
2005 Revenues	16.5x	23.6x	30.8x	15.5x	22.2x	28.9x	14.6x	20.8x	27.1x
2006 Revenues	12.4x	17.8x	23.2x	11.7x	16.8x	21.8x	11.0x	15.7x	20.5x
2004 EBITDA	85.8x	123.1x	160.3x	80.7x	115.6x	150.5x	75.9x	108.6x	141.3x
2005 EBITDA	45.6x	65.5x	85.3x	42.9x	61.5x	80.0x	40.4x	57.8x	75.2x
2006 EBITDA	32.9x	47.2x	61.6x	31.0x	44.4x	57.8x	29.1x	41.7x	54.3x
2004 EBIT	101.0x	144.9x	188.8x	95.0x	136.1x	177.1x	89.4x	127.9x	166.4x
2005 EBIT	53.3x	76.4x	99.5x	50.1x	71.7x	93.4x	47.1x	67.4x	87.7x
2006 EBIT	38.3x	54.9x	71.5x	36.0x	51.5x	67.1x	33.9x	48.4x	63.0x

Implied Equity Value as a Multiple of:⁽¹⁾

2004 Net Income	145.2x	206.7x	268.3x	136.7x	194.4x	252.0x	128.9x	182.9x	236.9x
2005 Net Income	93.6x	133.3x	173.0x	88.2x	125.3x	162.5x	83.1x	117.9x	152.8x
2006 Net Income	62.7x	89.3x	115.9x	59.1x	83.9x	108.8x	55.7x	79.0x	102.3x

1) Projections per Analysts Reports dated 02/25/05.

2) Free Cash Flow to the Firm.

Project Google

Discounted Cash Flow Assumptions - LTM EBITDA Multiple

3/20/2005
6:24 PM

TRANSACTION ASSUMPTIONS	
Goog FY End:	12/31/2004
Exit FY End:	12/31/2009
Transaction Date:	2/25/2005
Calendar Adjustment Factor:	-0.15

BALANCE SHEET ADJUSTMENTS	
Non-Operating Cash:	\$2,132.0
Short-term Debt:	0.0
Long-term Debt:	0.0

DISCOUNT ASSUMPTIONS	
Base Discount Rate:	10.0%
Incremental Discount Rate:	1.5%

EXIT MULTIPLE ASSUMPTIONS	
LTM EBITDA Exit Multiple:	20.0x
Incremental Exit EBITDA Multiple:	3.0x
Exit LTM EBITDA: (FY2009) (1)	\$4,881.0

Net Cash Flows ⁽²⁾	2004	2005	2006	2007	2008	2009
		\$(124.5)	\$1,811.8	\$2,253.0	\$2,867.3	\$3,468.0

	10.0% Discount Rate		
	20.0x	23.0x	26.0x
EBITDA Multiple			
Terminal Enterprise Value	\$97,620.0	\$112,263.0	\$126,906.0
Present Value of Terminal Value	61,491.2	70,714.8	79,938.5
Present Value of Cash Flows	11,137.1	11,137.1	11,137.1
Enterprise Value	\$72,628.3	\$81,851.9	\$91,075.6
Cash	\$2,132.0	\$2,132.0	\$2,132.0
Short-term Debt	0.0	0.0	0.0
Long-term Debt	0.0	0.0	0.0
Implied Equity Value	\$74,760.3	\$83,983.9	\$93,207.6
Shares Outstanding	273.420	273.420	273.420
Convertible Note Shares	0.000	0.000	0.000
Options and Warrants	0.000	0.000	0.000
Ex. Price	\$0.00	\$0.00	\$0.00
Diluted Shares Outstanding	273.420	273.420	273.420
Implied Equity per Share	\$273.43	\$307.16	\$340.90

	11.5% Discount Rate		
	20.0x	23.0x	26.0x
EBITDA Multiple			
Terminal Enterprise Value	\$97,620.0	\$112,263.0	\$126,906.0
Present Value of Terminal Value	57,582.2	66,219.5	74,856.8
Present Value of Cash Flows	10,753.7	10,753.7	10,753.7
Enterprise Value	\$68,335.9	\$76,973.2	\$85,610.6
Cash	\$2,132.0	\$2,132.0	\$2,132.0
Short-term Debt	0.0	0.0	0.0
Long-term Debt	0.0	0.0	0.0
Implied Equity Value	\$70,467.9	\$79,105.2	\$87,742.6
Shares Outstanding	273.420	273.420	273.420
Convertible Note Shares	0.000	0.000	0.000
Options and Warrants	0.000	0.000	0.000
Ex. Price	\$0.00	\$0.00	\$0.00
Diluted Shares Outstanding	273.420	273.420	273.420
Implied Equity per Share	\$257.73	\$289.32	\$320.91

	13.0% Discount Rate		
	20.0x	23.0x	26.0x
EBITDA Multiple			
Terminal Enterprise Value	\$97,620.0	\$112,263.0	\$126,906.0
Present Value of Terminal Value	53,969.0	62,064.4	70,159.8
Present Value of Cash Flows	10,392.0	10,392.0	10,392.0
Enterprise Value	\$64,361.0	\$72,456.4	\$80,551.7
Cash	\$2,132.0	\$2,132.0	\$2,132.0
Short-term Debt	0.0	0.0	0.0
Long-term Debt	0.0	0.0	0.0
Implied Equity Value	\$66,493.0	\$74,588.4	\$82,683.7
Shares Outstanding	273.420	273.420	273.420
Convertible Note Shares	0.000	0.000	0.000
Options and Warrants	0.000	0.000	0.000
Ex. Price	\$0.00	\$0.00	\$0.00
Diluted Shares Outstanding	273.420	273.420	273.420
Implied Equity per Share	\$243.19	\$272.80	\$302.41

% in Free Cash Flows	15.3%	13.6%	12.2%	15.7%	14.0%	12.6%	16.1%	14.3%	12.9%
% in Terminal Value	84.7%	86.4%	87.8%	84.3%	86.0%	87.4%	83.9%	85.7%	87.1%

Implied Enterprise Value as a Multiple of: ⁽¹⁾

2004 Revenues	22.8x	25.7x	28.6x	21.4x	24.1x	26.8x	20.2x	22.7x	25.3x
2005 Revenues	14.1x	15.9x	17.7x	13.3x	14.9x	16.6x	12.5x	14.1x	15.6x
2006 Revenues	10.6x	12.0x	13.3x	10.0x	11.3x	12.5x	9.4x	10.6x	11.8x
2004 EBITDA	73.4x	82.8x	92.1x	69.1x	77.8x	86.6x	65.1x	73.3x	81.4x
2005 EBITDA	39.1x	44.0x	49.0x	36.8x	41.4x	46.1x	34.6x	39.0x	43.3x
2006 EBITDA	28.2x	31.8x	35.4x	26.5x	29.9x	33.2x	25.0x	28.1x	31.3x
2004 EBIT	86.5x	97.4x	108.4x	81.4x	91.6x	101.9x	76.6x	86.3x	95.9x
2005 EBIT	45.6x	51.4x	57.2x	42.9x	48.3x	53.7x	40.4x	45.5x	50.6x
2006 EBIT	32.7x	36.9x	41.1x	30.8x	34.7x	38.6x	29.0x	32.7x	36.3x

Implied Equity Value as a Multiple of: ⁽¹⁾

2004 Net Income	124.8x	140.2x	155.6x	117.6x	132.1x	146.5x	111.0x	124.5x	138.0x
2005 Net Income	80.5x	90.4x	100.3x	75.9x	85.2x	94.4x	71.6x	80.3x	89.0x
2006 Net Income	53.9x	60.6x	67.2x	50.8x	57.0x	63.3x	47.9x	53.8x	59.6x

1) Projections per Analysts Reports dated 02/25/05.

2) Free Cash Flow to the Firm.

Project Google

Discounted Cash Flow Assumptions - LTM Net Income Multiple

3/20/2005
6:25 PM

TRANSACTION ASSUMPTIONS	
Goog FY End:	12/31/2004
Exit FY End:	12/31/2009
Transaction Date:	2/25/2005
Calendar Adjustment Factor:	-0.15

BALANCE SHEET ADJUSTMENTS	
Non-Operating Cash:	\$2,132.0
Short-term Debt:	0.0
Long-term Debt:	0.0

DISCOUNT ASSUMPTIONS	
Base Discount Rate:	10.0%
Incremental Discount Rate:	1.5%

EXIT MULTIPLE ASSUMPTIONS	
LTM Net Income Exit Multiple:	30.0x
Incremental Exit Net Income Multiple:	5.0x
Exit LTM Net Income: (FY2009) (1)	\$2,952.0

Net Cash Flows ⁽²⁾	2004	2005	2006	2007	2008	2009
		\$(125.6)	\$1,834.0	\$2,296.0	\$2,930.0	\$3,556.0

	10.0% Discount Rate		
	30.0x	35.0x	40.0x
Net Income Multiple			
Terminal Equity Value	\$88,560.0	\$103,320.0	\$118,080.0
Present Value of Terminal Value	55,784.2	65,081.6	74,379.0
Present Value of Cash Flows	11,389.2	11,389.2	11,389.2
Equity Value	\$67,173.5	\$76,470.8	\$85,768.2
Cash	\$2,132.0	\$2,132.0	\$2,132.0
Short-term Debt	0.0	0.0	0.0
Long-term Debt	0.0	0.0	0.0
Enterprise Value	\$65,041.5	\$74,338.8	\$83,636.2
Shares Outstanding	273.420	273.420	273.420
Convertible Note Shares	0.000	0.000	0.000
Options and Warrants	0.000	0.000	0.000
Ex. Price	\$0.00	\$0.00	\$0.00
Diluted Shares Outstanding	273.420	273.420	273.420
Implied Equity per Share	\$245.68	\$279.68	\$313.69

	11.5% Discount Rate		
	30.0x	35.0x	40.0x
Net Income Multiple			
Terminal Equity Value	\$88,560.0	\$103,320.0	\$118,080.0
Present Value of Terminal Value	52,238.0	60,944.4	69,650.7
Present Value of Cash Flows	10,996.1	10,996.1	10,996.1
Equity Value	\$63,234.2	\$71,940.5	\$80,646.8
Cash	\$2,132.0	\$2,132.0	\$2,132.0
Short-term Debt	0.0	0.0	0.0
Long-term Debt	0.0	0.0	0.0
Enterprise Value	\$61,102.2	\$69,808.5	\$78,514.8
Shares Outstanding	273.420	273.420	273.420
Convertible Note Shares	0.000	0.000	0.000
Options and Warrants	0.000	0.000	0.000
Ex. Price	\$0.00	\$0.00	\$0.00
Diluted Shares Outstanding	273.420	273.420	273.420
Implied Equity per Share	\$231.27	\$263.11	\$294.96

	13.0% Discount Rate		
	30.0x	35.0x	40.0x
Net Income Multiple			
Terminal Equity Value	\$88,560.0	\$103,320.0	\$118,080.0
Present Value of Terminal Value	48,960.2	57,120.3	65,280.3
Present Value of Cash Flows	10,625.1	10,625.1	10,625.1
Equity Value	\$59,585.4	\$67,745.4	\$75,905.5
Cash	\$2,132.0	\$2,132.0	\$2,132.0
Short-term Debt	0.0	0.0	0.0
Long-term Debt	0.0	0.0	0.0
Enterprise Value	\$57,453.4	\$65,613.4	\$73,773.5
Shares Outstanding	273.420	273.420	273.420
Convertible Note Shares	0.000	0.000	0.000
Options and Warrants	0.000	0.000	0.000
Ex. Price	\$0.00	\$0.00	\$0.00
Diluted Shares Outstanding	273.420	273.420	273.420
Implied Equity per Share	\$217.93	\$247.77	\$277.61

% in Free Cash Flows	17.0%	14.9%	13.3%	17.4%	15.3%	13.6%	17.8%	15.7%	14.0%
% in Terminal Value	83.0%	85.1%	86.7%	82.6%	84.7%	86.4%	82.2%	84.3%	86.0%

Implied Enterprise Value as a Multiple of:⁽¹⁾

2004 Revenues	20.4x	23.3x	26.2x	19.2x	21.9x	24.6x	18.0x	20.6x	23.1x
2005 Revenues	12.6x	14.4x	16.2x	11.9x	13.5x	15.2x	11.1x	12.7x	14.3x
2006 Revenues	9.5x	10.9x	12.3x	9.0x	10.2x	11.5x	8.4x	9.6x	10.8x
2004 EBITDA	65.8x	75.2x	84.6x	61.8x	70.6x	79.4x	58.1x	66.3x	74.6x
2005 EBITDA	35.0x	40.0x	45.0x	32.9x	37.6x	42.2x	30.9x	35.3x	39.7x
2006 EBITDA	25.2x	28.9x	32.5x	23.7x	27.1x	30.5x	22.3x	25.5x	28.6x
2004 EBIT	77.4x	88.5x	99.6x	72.7x	83.1x	93.5x	68.4x	78.1x	87.8x
2005 EBIT	40.8x	46.7x	52.5x	38.4x	43.8x	49.3x	36.1x	41.2x	46.3x
2006 EBIT	29.3x	33.5x	37.7x	27.5x	31.5x	35.4x	25.9x	29.6x	33.3x

Implied Equity Value as a Multiple of:⁽¹⁾

2004 Net Income	112.1x	127.7x	143.2x	105.6x	120.1x	134.6x	99.5x	113.1x	126.7x
2005 Net Income	72.3x	82.3x	92.3x	68.1x	77.4x	86.8x	64.1x	72.9x	81.7x
2006 Net Income	48.4x	55.1x	61.8x	45.6x	51.9x	58.1x	43.0x	48.8x	54.7x

1) Projections per Analysts Reports dated 02/25/05.

2) Free Cash Flow to Equity.