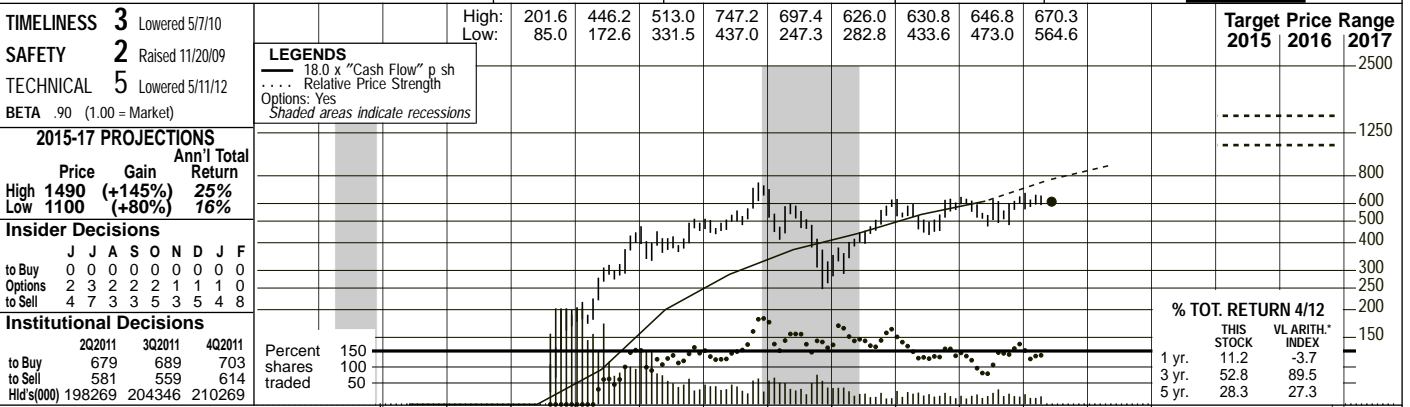


GOOGLE INC. NDQ-GOOG

RECENT PRICE **612.79** P/E RATIO **17.3** (Trailing: 18.6 Median: NMF) RELATIVE P/E RATIO **1.13** DIV'D YLD **Nil** VALUE LINE



TIMELINESS 3 Lowered 5/7/10
SAFETY 2 Raised 11/20/09
TECHNICAL 5 Lowered 5/11/12
BETA .90 (1.00 = Market)

2015-17 PROJECTIONS

Price	Gain	Ann'l Total Return
High 1490	(+145%)	25%
Low 1100	(+80%)	16%

Insider Decisions

J	J	A	S	O	N	D	J	F
to Buy	0	0	0	0	0	0	0	0
Options	2	3	2	2	1	1	1	0
to Sell	4	7	3	3	5	3	5	4

Institutional Decisions

2Q2011	3Q2011	4Q2011	Percent shares traded
to Buy 679	689	703	150
to Sell 581	559	614	100
Hld's(000)	198269	204346	210269

	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	© VALUE LINE PUB. LLC 15-17
Revenues per sh	1.87	6.24	11.50	20.65	34.32	52.97	69.17	74.43	91.26	116.58	138.30	157.35	231.00
"Cash Flow" per sh	.50	.64	1.93	5.97	11.12	16.00	20.66	24.42	29.79	34.24	42.70	50.00	78.55
Earnings per sh A	.45	.41	1.49	5.20	9.50	13.29	16.69	20.41	26.31	29.76	37.55	44.55	72.00
Div'ds Decl'd per sh	--	--	--	--	--	--	--	--	--	--	Nil	Nil	Nil
Cap'l Spending per sh	.16	.75	1.15	2.82	6.16	7.67	7.48	2.55	12.51	10.57	12.15	13.50	17.40
Book Value per sh	.53	2.30	10.56	31.69	55.15	72.43	89.61	113.30	143.92	178.83	214.90	257.50	435.35
Common Shs Outst'g B	235.00	235.00	277.35	297.24	309.00	313.28	315.11	317.77	321.30	325.14	329.00	333.00	345.00
Avg Ann'l P/E Ratio	--	--	NMF	NMF	43.4	40.7	27.6	21.5	20.3	19.1	<i>Bold figures are Value Line estimates</i>		18.0
Relative P/E Ratio	--	--	NMF	NMF	2.34	2.16	1.66	1.43	1.29	1.21			1.20
Avg Ann'l Div'd Yield	--	--	--	--	--	--	--	--	--	--			Nil
Revenues (\$mill)	439.5	1465.9	3189.2	6138.6	10605	16594	21796	23651	29321	37905	45500	52400	79700
Operating Margin	51.4%	42.0%	39.1%	38.5%	38.1%	35.5%	36.0%	40.4%	39.0%	34.7%	38.5%	39.5%	42.5%
Depreciation (\$mill)	17.8	43.9	128.5	256.8	494.4	807.7	1212.2	1240.0	1067.0	1396.0	1500	1600	1900
Net Profit (\$mill)	99.7	105.6	405.9	1518.4	2940.7	4203.7	5299.3	6520.4	8505.0	9737.0	12550	15050	25200
Income Tax Rate	46.1%	69.5%	52.3%	32.0%	26.7%	25.9%	22.2%	21.2%	21.0%	21.0%	21.0%	21.0%	21.0%
Net Profit Margin	22.7%	7.2%	12.7%	24.7%	27.7%	25.3%	24.3%	27.6%	29.0%	25.7%	27.6%	28.7%	31.6%
Working Cap'l (\$mill)	142.3	324.7	2353.1	8255.7	11735	15254	17876	26420	31566	43845	52900	59800	67400
Long-Term Debt (\$mill)	6.5	2.0	--	--	--	--	--	--	--	2986.0	2000	1750	1000
Shr. Equity (\$mill)	187.8	602.6	2929.1	9419.0	17040	22690	28239	36004	46241	58145	70700	85750	150200
Return on Total Cap'l	51.7%	17.6%	13.9%	16.1%	17.3%	18.5%	18.8%	18.1%	18.4%	16.0%	17.5%	17.0%	16.5%
Return on Shr. Equity	53.1%	17.5%	13.9%	16.1%	17.3%	18.5%	18.8%	18.1%	18.4%	16.7%	18.0%	17.5%	17.0%
Retained to Com Eq	79.5%	19.6%	13.9%	16.1%	17.3%	18.5%	18.8%	18.1%	18.4%	16.7%	18.0%	17.5%	17.0%
All Div'ds to Net Prof	--	--	--	--	--	--	--	--	--	--	Nil	Nil	Nil

Google Inc. undertook its initial public offering on August 19, 2004, selling approximately 19.6 million shares of its Class A Common stock for \$85 a share. Of the total shares, the company sold 14.1 million, and selling stockholders sold 5.5 million. The lead underwriters of the offering were Morgan Stanley and Credit Suisse First Boston.

CAPITAL STRUCTURE as of 3/31/12
 Total Debt \$5455 mill. Due in 5 Yrs. \$4470 mill.
 LT Debt \$2987 mill. LT Interest \$70 mill.
 (5% of Cap'l)

Leases, Uncapitalized: Annual rentals \$372 mill.
Pension Liability None
Pfd Stock None

Common Stock 326,024,437 shares (259,960,162 Class A shares and 66,046,275 Class B shares) C D
as of 4/19/12
MARKET CAP: \$200 billion (Large Cap)

CURRENT POSITION

	2010	2011	3/31/12
Cash Assets	34975	44626	49316
Receivables	4252	5427	5163
Inventory	--	--	--
Other	2335	2705	2380
Current Assets	41562	52758	56859
Accts Payable	483	588	760
Debt Due	3465	1218	2468
Other	6048	7107	6514
Current Liab.	9996	8913	9742

ANNUAL RATES

	Past 10 Yrs.	Past 5 Yrs.	Est'd '09-'11
change (per sh)			to '15-'17
Revenues	--	33.5%	16.0%
"Cash Flow"	--	36.0%	17.5%
Earnings	--	36.5%	19.0%
Dividends	--	--	Nil
Book Value	--	35.0%	20.0%

QUARTERLY REVENUES (\$mill.)

Cal-endar	Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2009	5509	5523	5945	6674	23651
2010	6775	6820	7286	8440	29321
2011	8575	9026	9720	10584	37905
2012	10645	10900	11500	12455	45500
2013	12300	12650	13200	14250	52400

EARNINGS PER SHARE A

Cal-endar	Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2009	4.49	4.66	5.13	6.13	20.41
2010	6.06	5.71	6.72	7.82	26.31
2011	5.51	7.68	8.33	8.22	29.76
2012	8.75	8.85	9.50	10.45	37.55
2013	10.50	10.75	11.00	12.30	44.55

QUARTERLY DIVIDENDS PAID

Cal-endar	Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2008					
2009					
2010					
2011					
2012					

NO CASH DIVIDENDS BEING PAID

BUSINESS: Google Inc. operates the world's leading Internet search engine. The company derives revenues primarily through delivering targeted advertising. Revenues are also derived from the licensing of search technology and solutions to enterprises. Revenues in 2011: United States, 46%; international, 54%. Has 32,467 employees. Officers & directors own less than 1% of Class A common stock, 93.7% of Class B; Fidelity, 5.1% of Class A; BlackRock, 7.3% of Class A (4/12 Proxy). Executive Chairman: Dr. Eric Schmidt. Co-founder & Chief Executive Officer: Larry Page. Co-founder: Sergey Brin. Incorporated: Delaware. Address: 1600 Amphitheatre Parkway, Mountain View, California 94043. Telephone: 650-253-0000. Internet: www.google.com.

Google's financial results continue to impress. Revenues advanced 24% in the first quarter of 2012, compared to the year-ago period, with a 59% increase in share net. The top line continued to benefit from strong ad sales in the March period, with paid clicks up 39%. Further proliferation of Android devices in the market lent support, as well. Investors should note, however, that much of the earnings advance was attributed to a lower tax rate, as cost-per-click declined 12% in the quarter.

The company is poised for strong gains in the year ahead. Accelerating growth in ad sales, coupled with the continued adoption of Android devices among consumers, ought to support revenues in the coming quarters. And, despite continued shifts in some metrics, including cost-per-click, most of this growth should find its way down to the bottom line. In all, we expect the top line to advance around 20% in 2012, with about a 25% increase in share net.

We look for solid results in the coming years. Google has a number of established revenues streams, which ought to support

growth over the long haul. Internet advertising revenues, in particular, should continue to accelerate at a nice clip. In addition, the company will likely benefit from further deployment of its Android platform in the market for connected devices. We expect Google to continue to register healthy top- and bottom-line advances over the next 3 to 5 years.

Meanwhile, the company's board of directors recently approved a stock dividend. The proposal would create a third, nonvoting share class (Class C). Current stockholders would receive one share of the new stock for each share held, effectively resulting in a 2-for-1 stock split. The proposal is subject to approval by the majority of the voting power of Google's common stock at its annual meeting in June.

These shares have decided long-term appeal. Although neutrally ranked for relative year-ahead performance, the company's favorable long-term outlook gives this issue wide capital appreciation potential over the pull to 2015-2017. Patient investors may want to consider this equity.

Kathryn M. Drew *May 18, 2012*

(A) Diluted earnings per share. Excludes non-recurring gains/(losses): '04, (3c); '05, (18c); '06, 44c; '08, (\$3.38). Qtrly eggs. may not sum. Next earnings report due mid-July.
 (B) In millions.
 (C) Class A common stock entitled to one vote per share. Class B common stock entitled to ten votes per share.
 (D) All preferred stock converted to Class B common stock upon initial public offering.

Company's Financial Strength	A++
Stock's Price Stability	70
Price Growth Persistence	85
Earnings Predictability	75

To subscribe call 1-800-833-0046.