

**Alphabet Inc.**  
**Quarterly Consolidated Statements of Income**  
(In millions, except per share amounts; unaudited)

	Q1'13	Q2'13	Q3'13	Q4'13	Q1'14	Q2'14	Q3'14	Q4'14	Q1'15	Q2'15	Q3'15	Q4'15
Revenues	\$ 12,951	\$ 13,107	\$ 13,754	\$ 15,707	\$ 15,420	\$ 15,955	\$ 16,523	\$ 18,103	\$ 17,258	\$ 17,727	\$ 18,675	\$ 21,329
Costs and expenses:												
Cost of revenues	5,136	5,195	5,409	6,253	5,961	6,114	6,695	6,921	6,356	6,583	7,037	8,188
Research and development	1,617	1,766	1,821	1,933	2,126	2,238	2,655	2,813	2,753	2,789	3,230	3,510
Sales and marketing	1,435	1,583	1,628	1,908	1,729	1,941	2,084	2,377	2,065	2,080	2,223	2,679
General and administrative	1,015	1,098	1,135	1,184	1,489	1,404	1,365	1,593	1,637	1,450	1,477	1,572
Total costs and expenses	9,203	9,642	9,993	11,278	11,305	11,697	12,799	13,704	12,811	12,902	13,967	15,949
Income from operations	3,748	3,465	3,761	4,429	4,115	4,258	3,724	4,399	4,447	4,825	4,708	5,380
Interest and other income, net	134	236	14	112	357	145	133	128	157	131	183	(180)
Income from continuing operations before income taxes	3,882	3,701	3,775	4,541	4,472	4,403	3,857	4,527	4,604	4,956	4,891	5,200
Provision for income taxes	398	969	661	711	903	984	933	819	1,089	1,025	912	277
Net income from continuing operations	3,484	2,732	3,114	3,830	3,569	3,419	2,924	3,708	3,515	3,931	3,979	4,923
Net (loss) income from discontinued operations	(182)	454	(193)	(506)	(198)	(68)	(185)	967	-	-	-	-
Net income	\$ 3,302	\$ 3,186	\$ 2,921	\$ 3,324	\$ 3,371	\$ 3,351	\$ 2,739	\$ 4,675	\$ 3,515	\$ 3,931	\$ 3,979	\$ 4,923
Less: Adjustment Payment to Class C capital shareholders	-	-	-	-	-	-	-	-	-	(522)	-	-
Net income available to all shareholders	\$ 3,302	\$ 3,186	\$ 2,921	\$ 3,324	\$ 3,371	\$ 3,351	\$ 2,739	\$ 4,675	\$ 3,515	\$ 3,409	\$ 3,979	\$ 4,923
Basic net income (loss) per share of Class A and B common stock:												
Continuing operations	\$ 5.28	\$ 4.11	\$ 4.67	\$ 5.72	\$ 5.30	\$ 5.06	\$ 4.32	\$ 5.46	\$ 5.16	\$ 4.99	\$ 5.80	\$ 7.16
Discontinued operations	(0.28)	0.68	(0.29)	(0.76)	(0.29)	(0.10)	(0.27)	1.43	-	-	-	-
Basic net income per share of Class A and B common stock	\$ 5.00	\$ 4.79	\$ 4.38	\$ 4.96	\$ 5.01	\$ 4.96	\$ 4.05	\$ 6.89	\$ 5.16	\$ 4.99	\$ 5.80	\$ 7.16
Basic net income (loss) per share of Class C capital stock:												
Continuing operations	\$ 5.28	\$ 4.11	\$ 4.67	\$ 5.72	\$ 5.30	\$ 5.06	\$ 4.32	\$ 5.46	\$ 5.16	\$ 6.51	\$ 5.80	\$ 7.16
Discontinued operations	(0.28)	0.68	(0.29)	(0.76)	(0.29)	(0.10)	(0.27)	1.43	-	-	-	-
Basic net income per share of Class C capital stock	\$ 5.00	\$ 4.79	\$ 4.38	\$ 4.96	\$ 5.01	\$ 4.96	\$ 4.05	\$ 6.89	\$ 5.16	\$ 6.51	\$ 5.80	\$ 7.16
Diluted net income (loss) per share of Class A and B common stock:												
Continuing operations	\$ 5.17	\$ 4.04	\$ 4.59	\$ 5.61	\$ 5.21	\$ 4.98	\$ 4.25	\$ 5.38	\$ 5.10	\$ 4.93	\$ 5.73	\$ 7.06
Discontinued operations	(0.27)	0.67	(0.28)	(0.74)	(0.29)	(0.10)	(0.27)	1.41	-	-	-	-
Diluted net income per share of Class A and B common stock	\$ 4.90	\$ 4.71	\$ 4.31	\$ 4.87	\$ 4.92	\$ 4.88	\$ 3.98	\$ 6.79	\$ 5.10	\$ 4.93	\$ 5.73	\$ 7.06
Diluted net income (loss) per share of Class C capital stock:												
Continuing operations	\$ 5.17	\$ 4.04	\$ 4.59	\$ 5.61	\$ 5.21	\$ 4.98	\$ 4.25	\$ 5.38	\$ 5.10	\$ 6.43	\$ 5.73	\$ 7.06
Discontinued operations	(0.27)	0.67	(0.28)	(0.74)	(0.29)	(0.10)	(0.27)	1.41	-	-	-	-
Diluted net income per share of Class C capital stock	\$ 4.90	\$ 4.71	\$ 4.31	\$ 4.87	\$ 4.92	\$ 4.88	\$ 3.98	\$ 6.79	\$ 5.10	\$ 6.43	\$ 5.73	\$ 7.06

**Alphabet Inc.**  
**Quarterly Consolidated Balance Sheets**

(In millions, except share and par value amounts which are reflected in thousands, and par value per share amounts); unaudited)

	Q1'13	Q2'13	Q3'13	Q4'13	Q1'14	Q2'14	Q3'14	Q4'14	Q1'15	Q2'15	Q3'15	Q4'15
<b>Assets</b>												
Current assets:												
Cash and cash equivalents	\$ 15,375	\$ 16,164	\$ 15,242	\$ 18,898	\$ 16,639	\$ 19,620	\$ 15,605	\$ 18,347	\$ 16,976	\$ 18,453	\$ 18,068	\$ 16,549
Marketable securities	34,723	38,268	41,281	39,819	42,740	41,584	46,552	46,048	48,460	51,327	54,699	56,517
Total cash, cash equivalents, and marketable securities (including securities loaned)	50,098	54,432	56,523	58,717	59,379	61,204	62,157	64,395	65,436	69,780	72,767	73,066
Accounts receivable, net of allowance	7,612	7,321	7,921	8,882	7,827	8,321	8,237	9,383	8,584	9,394	9,749	11,556
Receivable under reverse repurchase agreements	700	770	100	100	50	100	825	875	825	625	400	450
Deferred income taxes, net	-	-	-	-	-	-	-	-	-	-	-	-
Income tax receivable, net	164	-	270	46	91	586	342	591	109	-	287	1,903
Prepaid revenue share, expenses and other assets	3,023	3,118	2,589	3,253	2,475	2,336	2,979	3,412	3,720	3,049	2,688	3,139
Assets held for sale	-	-	-	-	3,873	3,668	3,588	-	-	-	-	-
Total current assets	61,597	65,641	67,403	70,998	73,695	76,215	78,128	78,656	78,674	82,848	85,891	90,114
Prepaid revenue share, expenses and other assets, non-current	2,175	1,882	1,775	1,911	1,698	1,962	1,990	3,187	3,501	3,308	3,236	3,181
Deferred income taxes, net, non-current	40	63	12	83	101	98	93	176	168	197	354	251
Non-marketable equity securities	1,470	1,564	1,843	1,976	2,123	2,415	2,470	3,079	4,090	4,409	4,813	5,183
Property and equipment, net	12,300	12,912	14,867	16,524	17,877	19,486	20,981	23,883	25,448	27,008	28,338	29,016
Intangible assets, net	7,324	6,558	6,290	6,066	5,317	5,234	4,744	4,607	4,380	4,213	4,023	3,847
Goodwill	10,595	11,396	11,426	11,492	14,177	14,586	15,461	15,599	15,573	15,610	15,675	15,869
Total assets	\$ 95,501	\$ 100,016	\$ 103,616	\$ 109,050	\$ 114,988	\$ 119,996	\$ 123,867	\$ 129,187	\$ 131,834	\$ 137,593	\$ 142,330	\$ 147,461
<b>Liabilities and Stockholders' Equity</b>												
Current liabilities:												
Accounts payable	\$ 2,094	\$ 1,758	\$ 2,124	\$ 2,453	\$ 1,623	\$ 1,345	\$ 1,368	\$ 1,715	\$ 1,688	\$ 1,315	\$ 1,549	\$ 1,931
Short-term debt	2,150	3,000	3,009	3,009	3,009	2,009	2,009	2,009	2,009	3,008	3,237	3,225
Accrued compensation and benefits	1,445	1,803	1,999	2,502	1,531	2,102	2,428	3,069	1,911	2,466	2,988	3,539
Accrued expenses and other current liabilities	3,007	3,300	3,071	3,755	3,305	3,683	3,933	4,408	4,494	4,396	4,598	4,768
Accrued revenue share	1,437	1,458	1,472	1,729	1,674	1,686	1,761	1,952	1,755	1,823	1,899	2,329
Securities lending payable	2,237	3,211	1,893	1,374	2,153	3,086	3,402	2,778	1,657	2,694	3,266	2,428
Deferred revenue	882	799	907	1,062	947	882	820	752	699	712	705	788
Income taxes payable, net	-	172	-	24	-	-	-	96	123	948	215	302
Liabilities held for sale	-	-	-	-	2,028	2,304	2,199	-	-	-	-	-
Total current liabilities	13,252	15,501	14,475	15,908	16,270	17,097	17,920	16,779	14,336	17,362	18,457	19,310
Long-term debt	2,989	1,989	2,238	2,236	3,234	3,232	3,230	3,228	3,226	2,225	1,994	1,995
Deferred revenue, non-current	79	132	125	139	103	93	154	104	93	108	133	151
Income taxes payable, non-current	2,179	2,258	2,413	2,608	2,786	2,954	3,060	3,340	3,636	3,615	3,596	3,663
Deferred income taxes, net, non-current	981	811	946	439	763	545	255	758	1,071	540	25	189
Other long-term liabilities	737	704	710	743	534	810	991	1,118	1,735	1,960	1,884	1,822
Stockholders' equity:												
Convertible preferred stock, \$0.001 par value per share, 100,000 shares authorized; no shares issued and outstanding	-	-	-	-	-	-	-	-	-	-	-	-
Class A and Class B common stock, and Class C capital stock and additional paid-in capital, \$0.001 par value per share	23,429	24,334	25,004	25,922	26,652	27,111	27,948	28,767	29,527	30,722	31,864	32,982
Accumulated other comprehensive income (loss)	356	(398)	99	125	345	502	(82)	27	(371)	(929)	(1,592)	(1,874)
Retained earnings	51,499	54,685	57,606	60,930	64,301	67,652	70,391	75,066	78,581	81,990	85,969	89,223
Total stockholders' equity	75,284	78,621	82,709	86,977	91,298	95,265	98,257	103,860	107,737	111,783	116,241	120,331
Total liabilities and stockholders' equity	\$ 95,501	\$ 100,016	\$ 103,616	\$ 109,050	\$ 114,988	\$ 119,996	\$ 123,867	\$ 129,187	\$ 131,834	\$ 137,593	\$ 142,330	\$ 147,461

**Alphabet Inc.**  
**Quarterly Consolidated Statements of Cash Flows**  
(In millions; unaudited)

	Q1'13	Q2'13	Q3'13	Q4'13	Q1'14	Q2'14	Q3'14	Q4'14	Q1'15	Q2'15	Q3'15	Q4'15
<b>Operating activities</b>												
Net income	\$ 3,302	\$ 3,186	\$ 2,921	\$ 3,324	\$ 3,371	\$ 3,351	\$ 2,739	\$ 4,675	\$ 3,515	\$ 3,931	\$ 3,979	\$ 4,923
Adjustments:												
Depreciation expense and impairment of property and equipment	584	747	693	757	816	813	884	1,010	938	1,011	1,030	1,153
Amortization and impairment of intangible assets	315	283	281	279	270	266	663	257	239	223	218	251
Stock-based compensation expense	708	847	886	902	887	915	1,290	1,187	1,203	1,132	1,432	1,436
Excess tax benefits from stock-based award activities	(94)	(104)	(104)	(179)	(155)	(137)	(175)	(181)	(105)	(111)	(138)	(194)
Deferred income taxes	202	63	(140)	(562)	144	(282)	(360)	394	71	(221)	(416)	387
Loss (gain) on divestiture of businesses	26	(716)	(15)	5	-	-	-	(740)	-	-	-	-
(Gain) loss on marketable and non-marketable investments, net	(50)	(106)	17	(27)	(284)	(81)	(12)	(13)	16	17	(1)	302
Other	61	41	81	89	50	41	66	35	61	55	41	55
Changes in assets and liabilities, net of effects of acquisitions:												
Accounts receivable	256	(194)	(516)	(853)	267	(721)	(36)	(1,151)	698	(767)	(267)	(1,758)
Income taxes, net	(291)	221	126	532	282	(192)	487	14	827	1,123	(857)	(1,272)
Prepaid revenue share, expenses and other assets	(354)	(152)	311	(735)	(308)	827	(13)	(47)	43	19	142	(522)
Accounts payable	87	(159)	357	320	177	(163)	(127)	549	(24)	(374)	230	371
Accrued expenses and other liabilities	(1,059)	696	93	983	(1,079)	1,011	484	341	(601)	838	583	777
Accrued revenue share	(27)	35	-	246	(70)	2	104	209	(205)	84	52	408
Deferred revenue	(33)	17	92	157	23	(23)	-	(175)	(59)	25	(21)	98
<b>Net cash provided by operating activities</b>	<b>3,633</b>	<b>4,705</b>	<b>5,083</b>	<b>5,238</b>	<b>4,391</b>	<b>5,627</b>	<b>5,994</b>	<b>6,364</b>	<b>6,617</b>	<b>6,985</b>	<b>6,007</b>	<b>6,415</b>
<b>Investing activities</b>												
Purchases of property and equipment	(1,203)	(1,611)	(2,289)	(2,255)	(2,345)	(2,646)	(2,417)	(3,551)	(2,927)	(2,515)	(2,373)	(2,100)
Purchases of marketable securities	(7,834)	(14,948)	(8,964)	(13,698)	(12,082)	(12,775)	(18,335)	(13,118)	(12,558)	(20,568)	(23,091)	(18,151)
Maturities and sales of marketable securities	6,319	10,687	6,235	15,073	9,406	14,199	13,045	14,665	10,389	17,197	19,274	16,045
Purchases of non-marketable investments	(36)	(136)	(299)	(98)	(168)	(299)	(69)	(691)	(1,074)	(375)	(322)	(401)
Cash collateral related to securities lending	564	974	(1,318)	(519)	779	934	316	(626)	(1,120)	1,036	572	(838)
Investments in reverse repurchase agreements	-	(70)	670	-	50	(50)	(725)	(50)	50	200	225	(50)
Proceeds from divestiture of businesses	38	2,313	174	-	-	-	-	386	-	-	-	-
Acquisitions, net of cash acquired, and purchases of intangibles and other assets	(289)	(1,012)	(27)	(120)	(2,947)	(543)	(1,142)	(256)	(64)	(78)	(102)	8
<b>Net cash used in investing activities</b>	<b>(2,441)</b>	<b>(3,803)</b>	<b>(5,818)</b>	<b>(1,617)</b>	<b>(7,307)</b>	<b>(1,180)</b>	<b>(9,327)</b>	<b>(3,241)</b>	<b>(7,304)</b>	<b>(5,103)</b>	<b>(5,817)</b>	<b>(5,487)</b>
<b>Financing activities</b>												
Net payments related to stock-based award activities	(210)	(58)	(369)	(144)	(326)	(595)	(627)	(521)	(493)	(511)	(606)	(765)
Excess tax benefits from stock-based award activities	94	104	104	179	155	137	175	181	105	111	138	194
Adjustment Payment to Class C capital stockholders	-	-	-	-	-	-	-	-	-	(47)	-	-
Repurchases of capital stock	-	-	-	-	-	-	-	-	-	-	-	(1,780)
Proceeds from issuance of debt, net of costs	2,922	2,729	2,699	2,418	3,416	2,877	2,874	2,458	3,305	3,393	3,634	3,373
Repayments of debt	(3,323)	(2,880)	(2,701)	(2,421)	(2,423)	(3,881)	(2,877)	(2,462)	(3,308)	(3,396)	(3,637)	(3,387)
<b>Net cash used in financing activities</b>	<b>(517)</b>	<b>(105)</b>	<b>(267)</b>	<b>32</b>	<b>822</b>	<b>(1,462)</b>	<b>(455)</b>	<b>(344)</b>	<b>(391)</b>	<b>(450)</b>	<b>(471)</b>	<b>(2,365)</b>
Effect of exchange rate changes on cash and cash equivalents	(78)	(8)	80	3	(5)	(4)	(227)	(197)	(293)	45	(104)	(82)
<b>Net decrease in cash and cash equivalents</b>	<b>597</b>	<b>789</b>	<b>(922)</b>	<b>3,656</b>	<b>(2,099)</b>	<b>2,981</b>	<b>(4,015)</b>	<b>2,582</b>	<b>(1,371)</b>	<b>1,477</b>	<b>(385)</b>	<b>(1,519)</b>
<b>Cash and cash equivalents at beginning of period</b>	<b>14,778</b>	<b>15,375</b>	<b>16,164</b>	<b>15,242</b>	<b>18,898</b>	<b>16,639</b>	<b>19,620</b>	<b>15,605</b>	<b>18,347</b>	<b>16,976</b>	<b>18,453</b>	<b>18,068</b>
<b>Reclassification of assets previously held for sale</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(160)</b>	<b>-</b>	<b>-</b>	<b>160</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Cash and cash equivalents at end of period</b>	<b>\$ 15,375</b>	<b>\$ 16,164</b>	<b>\$ 15,242</b>	<b>\$ 18,898</b>	<b>\$ 16,639</b>	<b>\$ 19,620</b>	<b>\$ 15,605</b>	<b>\$ 18,347</b>	<b>\$ 16,976</b>	<b>\$ 18,453</b>	<b>\$ 18,068</b>	<b>\$ 16,549</b>