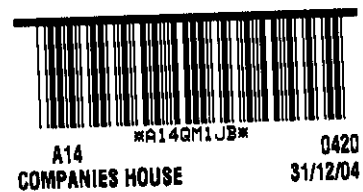


Google UK Limited

Abbreviated Financial Statements

For the year ended 31 December 2003

3977902



BDO Simpson Xavier

Business & Financial Advisers

Beaux Lane House

Mercer Street Lower

Dublin 2 Ireland

Google UK Limited

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Google UK Limited

Directors and other information

members

George Reyes
David Drummond

Secretary

TJG Secretaries Limited

Company number

3977902

Registered office

The Courtyard
12 Sutton Row
London
W1D 4AD

Auditors

BDO Simspson Xavier
Registered Auditors
Beaux Lane House
Mercer Street Lower
Dublin 2

Bankers

Citibank
Citigroup Centre
Canary Wharf
London
E14 5LB

Solicitors

Taylor Wessing
Carmelite
50 Victoria Embankment
Blackfriars
London
EC4Y 0DX

Directors' Report

The Directors present their annual report and the audited financial statements for the year ended 31 December 2003.

The principal activity of the company during the year was the marketing of Google's premium sponsored links programme.

Results and dividends

The profit and loss account and balance sheet for the year ended 31 December 2003 are set out on pages 5 and 6.

	£
The profit for the financial year amounted to	172,502
Profit and loss account at beginning of year	67,375
Profit and loss account at the end of year	<u>239,877</u>

The Directors do not recommend payment of a final dividend.

Interests of directors and secretary

The interests of the directors and secretary who held office at 31 December 2003 in the share capital of the company are disclosed in the financial statements of the ultimate parent company, Google Inc.

Post balance sheet events

On 18 August 2004, the company's ultimate parent company Google Inc. became a public company listed on the Nasdaq.

Directors' responsibilities

UK company law requires the Directors to prepare financial statements for each financial year which give a true and fair view of the state of the affairs of the company and of the profit or loss of the company for that year. In preparing those financial statements the Directors are required to:

- select suitable accounting policies and apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

Directors' Report (continued)

Directors' responsibilities (continued)

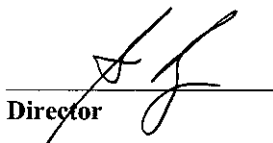
The Directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements are prepared in accordance with accounting standards generally accepted in the UK and comply with the Companies Acts 1985. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Auditors

In accordance with Section 385 of the Companies Act 1985, a resolution proposing that BDO Simspon Xavier , be reappointed as auditors of the company will be put to the Annual General Meeting.

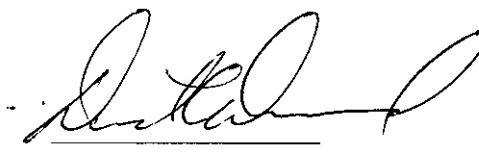
This report is prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies.

On behalf of the Board



Director
GEORGE REYES
10-28-04

Date



Director
DAVID DRUMMOND



BDO Simpson Xavier
Registered Auditors

Beaux Lane House
Mercer Street Lower
Dublin 2
Ireland
Telephone +353 1 470 0000
Telefax +353 1 477 0000
E-Mail: info@bdosx.ie
www.bdosx.ie

**Independent Auditors' Report to the members of Google UK Limited
Pursuant to Section 247B of the companies Act 1985**

We have examined the abbreviated financial statements on page 2 to 11 together with the financial statements of the company for the year ended 31 December 2003 prepared under section 226 of the Companies Act 1985.

Respective responsibilities of directors and auditors

The directors are responsible for preparing the abbreviated financial statements in accordance with section 246 of the Companies Act 1985. It is our responsibility to form an independent opinion as to whether the company is entitled to deliver abbreviated financial statements prepared in accordance with sections 246(5) and (6) of the Act to the registrar of companies and whether the financial statements to be delivered are properly prepared in accordance with those provisions and to report our opinion to you.

Our report has been prepared pursuant to the requirements of the Companies Act 1985 and for no other purpose. No person is entitled to rely on this report unless such a person is a person entitled to rely upon this report by virtue of and for the purpose of the Companies Act 1985 or has been expressly authorised to do so by our prior written consent. Save as above, we do not accept responsibility for this report to any other person or for any other purpose and we hereby expressly disclaim any and all such liability.

Basis of opinion

We have carried out the procedures we consider necessary to confirm, by reference to the financial statements, that the company is entitled to deliver abbreviated financial statements and that the abbreviated financial statements to be delivered are properly prepared. The scope of our work for the purpose of this report did not include examining or dealing with events after the date of our report on the full financial statements.

Opinion

In our opinion the company is entitled to deliver abbreviated financial statements prepared in accordance with sections 246(5) and (6) of the Companies Act 1985 and the abbreviated financial statements on page 2 to 11 are properly prepared in accordance with those provisions.

28th October 2004

Date

BDO Simpson Xavier

BDO Simpson Xavier
Registered Auditors

Google UK Limited


Abbreviated profit and loss account for the year ended 31 December 2003

	Notes	2003 £	2002 £
Gross profit		5,095,273	1,360,653
Administrative expenses		(4,889,786)	(1,259,863)
Operating profit	2	205,487	100,790
Interest receivable and similar income	3	5,850	-
Interest payable and similar charges	4	(6,187)	-
Profit on ordinary activities before taxation		205,150	100,790
Tax on profit on ordinary activities	7	(32,648)	(38,605)
Retained profit for the year		172,502	62,185
Retained profit brought forward		67,375	5,190
Retained profit carried forward		239,877	67,375

There are no recognised gains or losses other than the profit for the above two financial years.
The notes on pages 7 to 11 form part of these financial statements.

On behalf of the Board


 Director
 GEORGE REYES


 Director
 DAVID DRUMMOND

Google UK Limited

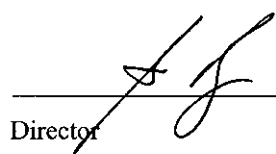
Balance sheet as at 31 December 2003

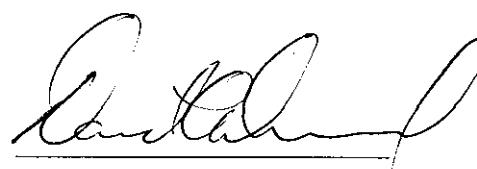
	Notes	2003 £	2002 £
Fixed assets			
Tangible assets	8	<u>588,106</u>	<u>23,452</u>
Current assets			
Debtors	9	<u>328,224</u>	<u>306,804</u>
Cash at bank and in hand		<u>1,044,253</u>	<u>934</u>
		<u>1,372,477</u>	<u>307,738</u>
Creditors: amounts falling due within one year	10	<u>(1,719,706)</u>	<u>(262,815)</u>
Net current (liabilities)/assets		<u>(347,229)</u>	<u>44,923</u>
Total assets less current liabilities		<u>240,877</u>	<u>68,375</u>
Net assets		<u>240,877</u>	<u>68,375</u>
Capital and reserves			
Called up share capital	11	<u>1,000</u>	<u>1,000</u>
Profit and loss account	12	<u>239,877</u>	<u>67,375</u>
Equity shareholders' funds	13	<u>240,877</u>	<u>68,375</u>

These abbreviated accounts are prepared in accordance with the special provisions in Part VII, Companies Act, 1985 relating to medium sized companies.

The notes on pages 7 to 11 form part of these financial statements.

On behalf of the Board


 Director
 GEORGE REYES


 Director
 DAVID DRUMMOND

Notes to the abbreviated financial statements for the year ended 31 December 2003

1. Accounting policies

1.1. Accounting convention

The financial statements are prepared under the historical cost convention.

The company has taken advantage of the exemption in FRS1 from the requirement to produce a cashflow statement as the group financial statements are available to the public.

1.2. Turnover

Turnover represents the total invoice value, excluding value added tax, of sales made during the year.

1.3. Tangible fixed assets and depreciation

Depreciation is provided at rates calculated to write off the cost less residual value of each asset over its expected useful life, as follows:

Leasehold improvements	-	4% straight line
Computer equipment	-	50% straight line
Fixtures & fittings	-	20% straight line
Equipment	-	20% straight line
Assets in course of construction	-	no depreciation as assets not in use

1.4. Pensions

For the defined contribution pension scheme, the expected cost of providing pensions to employees is charged to the profit and loss account as incurred over the period of employment of pensionable employees. The cost is calculated, with the benefit of advice from an independent actuary, at what is expected to be a reasonably stable proportion of pensionable pay.

1.5. Deferred taxation

Provision for deferred taxation is recognised in full on all timing differences which exist at the balance sheet date. Deferred tax is measured on a non discounted basis using tax rates substantially enacted at the balance sheet date.

1.6. Foreign currencies

The financial statements are expressed in sterling (£). Monetary assets and liabilities denominated in foreign currencies are translated at the rates ruling at the balance sheet date and revenues, costs and non monetary assets at the exchange rates ruling at the transaction date.

Profits and losses arising from foreign currency translations and on settlement of amounts receivable and payable in foreign currency are dealt with through the profit and loss account.

2. Operating profit

	2003	2002
	£	£
Depreciation of tangible assets	39,769	12,570
Auditors' remuneration	15,000	4,000
and after crediting:		
Profit on foreign currency translation	<u>29,015</u>	<u>-</u>

Notes to the abbreviated financial statements for the year ended 31 December 2003

3. Interest receivable and similar income	2003	2002
	£	£
Bank interest	<u>5,850</u>	<u>-</u>

4. Interest payable and similar charges	2003	2002
	£	£
On bank loans and overdrafts	3,078	-
On overdue tax	3,109	-
	<u>6,187</u>	<u>-</u>

5. Employees

Number of employees

The average monthly numbers of employees (including the Directors) during the year were:

	2003	2002
	No.	No.
Administration and sales	33	11
Management	2	2
	<u>35</u>	<u>13</u>

Wages and salaries	2,322,280	689,545
Social welfare costs	345,129	76,577
Pension costs	42,813	19,678
	<u>2,710,222</u>	<u>785,800</u>

6. Pension costs

The company operates a defined contribution scheme for certain employees. The pension entitlements of employees are secured by contributions by the company to a separately administered pension fund. Annual contributions are based on the advice of a professionally qualified actuary. The defined contribution pension charge for the year was Stg£42,813.

Notes to the abbreviated financial statements for the year ended 31 December 2003

7. Tax on profit on ordinary activities

	2003 £	2002 £
Profit on ordinary activities before taxation	<u>205,150</u>	<u>100,790</u>
Tax on profit on ordinary activities at the standard rate of corporation tax 30% (2002 : 29.6%)	61,545	29,834
Effects of:		
Expenses not deductible for tax purposes	933	7,862
Depreciation for year in excess of capital allowances	-	909
Capital allowances for year in excess of depreciation	<u>(29,830)</u>	<u>-</u>
Corporation tax	<u>32,648</u>	<u>38,605</u>

8. Tangible assets

	Leasehold improvements	Computer equipment	Fixtures and fittings	Equipment	Assets in course of construction	Total
	£	£	£	£	£	£
Cost						
At 1 January 2003	-	41,051	-	-	-	41,051
Additions	352,784	6,085	156,889	51,000	37,665	604,423
At 31 December 2003	<u>352,784</u>	<u>47,136</u>	<u>156,889</u>	<u>51,000</u>	<u>37,665</u>	<u>645,474</u>
Depreciation						
At 1 January 2003	-	17,599	-	-	-	17,599
Charge for the year	13,982	18,497	7,290	-	-	39,769
At 31 December 2003	<u>13,982</u>	<u>36,096</u>	<u>7,290</u>	<u>-</u>	<u>-</u>	<u>57,368</u>
Net book values						
At 31 December 2003	<u>338,802</u>	<u>11,040</u>	<u>149,599</u>	<u>51,000</u>	<u>37,665</u>	<u>588,106</u>
At 31 December 2002	<u>-</u>	<u>23,452</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>23,452</u>

Notes to the abbreviated financial statements for the year ended 31 December 2003

9. Debtors

	2003 £	2002 £
Amounts owed by group undertakings	-	262,846
Other debtors	223,978	42,662
Prepayments and accrued income	104,246	1,296
	<u>328,224</u>	<u>306,804</u>

10. Creditors: amounts falling due within one year

	2003 £	2002 £
Trade creditors	149,214	-
Amounts owed to group undertaking	283,162	-
Corporation tax	26,414	47,075
Payroll tax	34,745	-
Accruals and deferred income	1,226,171	215,740
	<u>1,719,706</u>	<u>262,815</u>

11. Share capital

	2003 £	2002 £
Authorised equity		
1,000 Ordinary shares of £1 each	<u>1,000</u>	<u>1,000</u>
Allotted, called up and fully paid equity		
1,000 Ordinary shares of £1 each	<u>1,000</u>	<u>1,000</u>

12. Equity reserves

	Profit and loss account £	Total £
At 1 January 2003	67,375	67,375
Retained profit for the year	172,502	172,502
At 31 December 2003	<u>239,877</u>	<u>239,877</u>

Notes to the abbreviated financial statements for the year ended 31 December 2003

13. Reconciliation of movements in shareholders' funds

	2003 £	2002 £
Profit for the year	172,502	62,185
Opening shareholders' funds	68,375	6,190
	<u>240,877</u>	<u>68,375</u>

14. Related party transactions

The company has availed of the exemption available under FRS 8 "Related Party Disclosures", for subsidiaries with 90% or more of whose voting rights are controlled within the group, from the requirements to give details of transactions with entities that are part of the group or investors of the group qualifying as related parties.

15. Ultimate parent undertaking

The parent undertaking of the largest group of undertakings for which group financial statements are drawn up and of which the company is a member is Google Inc., a Delaware corporation. Copies of the group financial statements are available to the public.

16. Approval of financial statements

The financial statements were approved by the Board on 28/10/04.