

Alphabet Inc.
CONSOLIDATED BALANCE SHEETS
(in millions, except share amounts which are reflected in thousands,
and par value per share amounts)

	As of December 31, 2016	As of September 30, 2017
		(unaudited)
Assets		
Current assets:		
Cash and cash equivalents	\$ 12,918	\$ 10,581
Marketable securities	73,415	89,562
Total cash, cash equivalents, and marketable securities	86,333	100,143
Accounts receivable, net of allowance of \$467 and \$625	14,137	15,295
Income taxes receivable, net	95	282
Inventory	268	765
Other current assets	4,575	2,860
Total current assets	105,408	119,345
Non-marketable investments	5,878	7,269
Deferred income taxes	383	505
Property and equipment, net	34,234	40,120
Intangible assets, net	3,307	2,883
Goodwill	16,468	16,731
Other non-current assets	1,819	2,683
Total assets	\$ 167,497	\$ 189,536
Liabilities and Stockholders' Equity		
Current liabilities:		
Accounts payable	\$ 2,041	\$ 2,674
Accrued compensation and benefits	3,976	4,022
Accrued expenses and other current liabilities	6,144	9,307
Accrued revenue share	2,942	3,200
Deferred revenue	1,099	1,269
Income taxes payable, net	554	221
Total current liabilities	16,756	20,693
Long-term debt	3,935	3,964
Deferred revenue, non-current	202	346
Income taxes payable, non-current	4,677	4,358
Deferred income taxes	226	151
Other long-term liabilities	2,665	2,924
Total liabilities	28,461	32,436
Commitments and Contingencies (Note 11)		
Stockholders' equity:		
Convertible preferred stock, \$0.001 par value per share, 100,000 shares authorized; no shares issued and outstanding	0	0
Class A and Class B common stock, and Class C capital stock and additional paid-in capital, \$0.001 par value per share: 15,000,000 shares authorized (Class A 9,000,000, Class B 3,000,000, Class C 3,000,000); 691,293 (Class A 296,992, Class B 47,437, Class C 346,864) and 694,790 (Class A 298,263, Class B 47,054, Class C 349,473) shares issued and outstanding	36,307	39,609
Accumulated other comprehensive loss	(2,402)	(746)
Retained earnings	105,131	118,237

Total stockholders' equity	<u>139,036</u>	<u>157,100</u>
Total liabilities and stockholders' equity	<u>\$ 167,497</u>	<u>\$ 189,536</u>

See accompanying notes.

Alphabet Inc.
CONSOLIDATED STATEMENTS OF INCOME
(in millions, except per share amounts; unaudited)

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2016	2017	2016	2017
Revenues	\$ 22,451	\$ 27,772	\$ 64,208	\$ 78,532
Costs and expenses:				
Cost of revenues	8,699	11,148	24,477	31,316
Research and development	3,596	4,205	10,326	12,319
Sales and marketing	2,565	3,042	7,367	8,583
General and administrative	1,824	1,595	4,961	5,096
European Commission fine	0	0	0	2,736
Total costs and expenses	16,684	19,990	47,131	60,050
Income from operations	5,767	7,782	17,077	18,482
Other income (expense), net	278	197	216	693
Income before income taxes	6,045	7,979	17,293	19,175
Provision for income taxes	984	1,247	3,148	3,493
Net income	\$ 5,061	\$ 6,732	\$ 14,145	\$ 15,682
Basic net income per share of Class A and B common stock and Class C capital stock	\$ 7.36	\$ 9.71	\$ 20.59	\$ 22.65
Diluted net income per share of Class A and B common stock and Class C capital stock	\$ 7.25	\$ 9.57	\$ 20.26	\$ 22.30

See accompanying notes.

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Alphabet Inc.

Alphabet Inc.
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
(in millions; unaudited)

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2016	2017	2016	2017
Net income	\$ 5,061	\$ 6,732	\$ 14,145	\$ 15,682
Other comprehensive income:				
Change in foreign currency translation adjustment	129	441	166	1,457
Available-for-sale investments:				
Change in net unrealized gains (losses)	71	578	627	803
Less: reclassification adjustment for net (gains) losses included in net income	(46)	47	137	98
Net change (net of tax effect of \$7, \$0, \$191, and \$0)	25	625	764	901
Cash flow hedges:				
Change in net unrealized gains (losses)	32	(209)	148	(668)
Less: reclassification adjustment for net (gains) losses included in net income	(67)	125	(236)	(34)
Net change (net of tax effect of \$20, \$50, \$29, and \$342)	(35)	(84)	(88)	(702)
Other comprehensive income	119	982	842	1,656
Comprehensive income	\$ 5,180	\$ 7,714	\$ 14,987	\$ 17,338

See accompanying notes.