

**SUMMARY OF INVESTMENT ANALYSIS**

Name of the company: Google Inc.

Ticker (Exchange)/Price of share: GOOG (Nasdaq)/368.91 USD

Sector: Technology

Industry: Internet Information Providers

Description:

Google Inc. Is one of the most popular internet search engine that outrun Yahoo Inc. It is a technology company which maintains websites and other online content for customers, advertisers, members of Google network and other companies (internet searching engines). Google provides that information for free to anyone with internet connection. Automated search technology enables one to get almost immediate access to the information needed from its online application. Google Inc. Is the biggest company in the sector, its Market capitalization at the moment is around 116.47B, compared to the biggest competitor Yahoo Inc., whose is 19.62B.

The company generates income mainly from online advertising. The company offers targeted advertising and online solutions. Its products for the consumers include Google.com for searching and personalization, and also Google Earth, Google Maps, Google Calendar, Gmail, YouTube etc.

Commentary:

- In 2008 Google. Inc. registered a 31.35 % climb in revenues. In numbers its 21,795 mln. dollars for 2008 compared to 16,593 mln in 2007. In 2008 the net profit of the company grew around 20 mln. dollars to 4,226 mln. from 4,203 mln in 2007 which is a rise of 0.55%. That's quite good performance having in mind the tough period the world economy is passing through, which prove the strong market position of the company.
- Google expands its activities as it enters the Chinese market The company announced the start of free legal download of music in China and it will share the revenues from adds with the music labels on market full of online pirates . As a start the service will offer around 350 thousand songs of Chinese and international artists as this number is expected to grow to 1,1 mln. during the next few months. The service will present artists from Sony Music, Warner Music, EMI and Universal Music and on this stage of development the service is not planned to be offered outside China. Except search by names and songs of musicians the consumers will be able to search by different musical criteria.
- Google Inc. announced that it will establish a Venture Fund (risk fund) with 100 mln. USD capital for investing in companies those are on early stage of their development. The Fund will seek investment opportunities to maximize its returns instead of seeking investments that respond strictly to the strategic vision frame of Google Inc.
- The shares of Google lost almost 42% (decline from 602 dollars from May 2008 to almost 350 dollars at the moment) after some market drops. From above stated data it is visible that compared to the overall economic conditions Google Inc. is one of few companies that are able to keep its fundamentals on good levels.
- Lots of rating companies in the beginning of April 2009 upgraded the rating of Google from "hold" to "buy".

Graph:



G L O B A L M A R K E T S

Basic fundamental data:

Market Capitalization:	116.31 bln. USD	P/E (price/earnings):	28.41
Beta:	1.16	P/S (price/sales):	5.47
EPS:	5.10	P/B (price/book value):	4.22
ROA:	14.52%	ROE:	16.6%
EBITDA	8.13 bln. USD	Profit margin:	19.39

Main competitors and related companies:

Yahoo! Inc.	Sun Microsystem. Inc.
Microsoft Corporation	Ebay Inc.
Nokia Corporation (ADR)	International Business Machines Corp. IBM
Baidu, Inc. (ADR)	

Updated at: 14.04.09

Sources: www.bloomberg.com, www.reuters.com, www.nyse.com, www.yahoo.com; www.biqcharts.com

For Global Markets Ltd. prepared by: Tanya Atanasova, Investment adviser

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