

COMPANY PROFILE

Facebook, Inc.

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COMPANY OVERVIEW

Facebook Inc. (Facebook or 'the company') is a social networking platform which enables users to share ideas, opinions, pictures, videos and other activities. The company, through its major products Facebook, Instagram, Messenger and WhatsApp, connects millions of people with their friends and families worldwide. It operates offices or data centers in more than 30 different countries. Facebook also offers Oculus virtual reality technology and content platform. It is headquartered in Menlo Park, California, the US.

The company reported revenues of (US Dollars) US\$27,638 million for the fiscal year ended December 2016 (FY2016), an increase of 54.2% over FY2015. In FY2016, the company's operating margin was 45%, compared to an operating margin of 34.7% in FY2015. In FY2016, the company recorded a net margin of 37%, compared to a net margin of 20.6% in FY2015.

The company reported revenues of US\$10,328 million for the third quarter ended September 2017, an increase of 10.8% over the previous quarter.

KEY FACTS

Head Office	Facebook, Inc. 1601 Willow Road Menlo Park Menlo Park California Menlo Park California USA
Phone	1 650 6187714
Fax	
Web Address	www.facebook.com
Revenue / turnover (USD Mn)	27,638.0
Financial Year End	December
Employees	17,048
NASDAQ Ticker	FB

TICKERS

FB

BUSINESS DESCRIPTION

Facebook Inc. (Facebook) is a free social networking website which allows registered users to create profiles and share opinions, ideas, photos, videos, and activities with friends, family, colleagues and public figures. The service is offered in more than 100 different languages worldwide.

The company's service primarily targets users, marketers and developers. Facebook enables marketers to engage with its MAUs based on information they have chosen to share with Facebook such as age, location, gender, interests and behaviors. The company enables developers to use its developer services to build, grow and monetize their mobile and web applications that integrate with Facebook.

Facebook generates revenue through two streams: advertising; and payments and other fees.

The company's advertising revenue is generated by displaying ad products on Facebook properties, including Facebook, Instagram, and third-party affiliated websites or mobile applications. The payment is calculated based on the number of clicks made by users, the number of actions taken by users or the number of impressions delivered. Facebook recognizes revenue from the delivery of click-based ads in the period in which a user clicks on the content, and action-based ads in the period in which a user takes the action the marketer contracted for. The company also recognizes revenue from the display of impression-based ads in the contracted period. As of December 31, 2017, the company reported advertising revenue of US\$26,885 million or 97.3% of the company's total revenue, excluding intersegment revenue/eliminations.

Facebook's payments and other fees include revenues from users to purchase virtual and digital goods from developers with applications on Facebook. Facebook users can transact and make payments on the website by using debit and credit cards, PayPal, mobile phone payments, gift cards or other methods. The other fees consist of primarily of revenue from its ad serving and measurement products and the delivery of virtual reality platform devices. As of December 31, 2017, the company reported advertising revenue of US\$753 million or 2.7% of the company's total revenue, excluding intersegment revenue/eliminations.

Facebook's key products include Facebook platform, Instagram, Messenger, WhatsApp, and Oculus.

The Facebook platform, including the website and the mobile app enable users to connect, share, discover, and communicate with each other on personal computers (PCs) and mobile devices. Key features of the Facebook website and mobile app include news feed, timeline and graph search. As of December 31, 2016, the company had more than 1.9 billion mobile monthly active users (MAU) in Facebook, while daily active users (DAUs) accessing Facebook from mobile devices was over 1.15 billion.

Instagram is a mobile app that enable users to take photos or videos, customize them with filter effects, and share them with friends and followers in a photo feed or send them directly to friends. As of December 31, 2016, the company had more than 600 million mobile MAUs on Instagram. The Messenger service is a mobile-to-mobile messaging application available on iOS Android, and Windows phones. The service works in the same way as texting (SMS) and lets users to reach others instantly.

WhatsApp Messenger is a cross-platform mobile messaging application that allows people to exchange messages on various mobile platforms. As of December 31, 2016, the company had more than 1.2 billion mobile MAUs on WhatsApp. Oculus virtual reality (VR) technology and content platform provides products that allow people to enter into an interactive environment to play games, consume content, and connect with others.

Geographically, Facebook classifies its business operations into two regions: the US and Rest of the world regions. As of December 31, 2016, the Rest of the world accounted for 54.5% of the total revenue of the company and the remaining 45.5% was contributed by the US region.

HISTORY

Acquisitions/Mergers/Takeovers

Year: 2018

In January, Facebook announced the acquisition of biometric ID verification startup, Confirm.io.

New Products/Services

Year: 2017

In May, the company launched Express Wi-Fi service in India to provide internet facility to the rural parts.

Others

Year: 2017

In May, the company hired 3,000 more moderators to speed up reviewing process and to eliminate extreme material.

Acquisitions/Mergers/Takeovers

Year: 2017

In July, Facebook acquired Source3, a management startup.

Acquisitions/Mergers/Takeovers

Year: 2017

In August, the company acquired Fayteq.

Contracts/Agreements

Year: 2017

In July, the company partnered with OMA to design the masterplan for Willow Campus in Menlo Park.

New Products/Services

Year: 2017

In May, Facebook's Instagram service launched snapchat like face filters.

Contracts/Agreements

Year: 2017

In May, Facebook and FrieslandCampina partnered to improve personal and relevant connections with families and farmers.

Acquisitions/Mergers/Takeovers

Year: 2017

In October, the company plans to acquire tbh, a positivity-focused polling startup.

Contracts/Agreements

Year: 2017

In April, Facebook collaborated with Kore.ai to provide a platform for bot development and selected as incorporated partner for Workplace by Facebook that can assist developers to create and combine chat bots into varied channels.

Contracts/Agreements

Year: 2017

In October, A consortium of companies including NTT Communications, PCCW Global, PLDT, Facebook, and SoftBank Corp signed an agreement to build and operate new trans-pacific submarine cable system JUPITER.

Contracts/Agreements

Year: 2017

In November, Telecom Infra Project Summit, Telefonica S.A. and Facebook entered into collaboration for reducing the digital divide in Latin America by using innovative technologies to target challenges in rural connectivity.

Contracts/Agreements

Year: 2017

In June, the company entered into a partnership with Microsoft, Twitter and YouTube, to form Global

Internet Forum to counter terrorism.

Contracts/Agreements

Year: 2017

In September, PayMaya and Facebook introduced payment tools in Messenger.

New Products/Services

Year: 2017

In November, Facebook partnered with Nordea to introduce its Nordic bank service via messenger, powered by Nets.

Contracts/Agreements

Year: 2017

In June, the company partnered with Integral Ad Science for improving transparency.

Contracts/Agreements

Year: 2017

In May, the company partnered with Blend Media to develop creator community for 360-degree video growth.

New Products/Services

Year: 2016

During October 2016, Facebook launched Workplace app for all companies or organization that wants to use it, which is more than just communicating between desks within the walls of an office.

New Products/Services

Year: 2016

In October 2016, Facebook launched Events from Facebook, a new app designed for event seekers to find nearby events.

New Products/Services

Year: 2016

In October 2016, Facebook introduced Marketplace, a destination to discover, buy and sell items with people in a community.

New Products/Services

Year: 2016

During October 2016, Facebook launched a new app, Messenger Lite, a standalone version of Messenger for Android. Messenger Lite is a slimmed down version of Messenger that offers the core features of Messenger for markets with slower than average internet speeds and a prevalence of basic Android smartphones.

New Products/Services

Year: 2016

In September 2016, Facebook Messenger introduced new sharing, chatting, debating and discussing through Instant Video.

New Products/Services

Year: 2016

In August 2016, Oculus launched pre-order for Rift online from retailers in Europe and Canada.

New Products/Services

Year: 2016

During June 2016, Oculus announced plans to launch over 30 full made-for-virtual reality (VR) games later in the year with Oculus Touch. It also introduced five new Oculus Ready PCs, and shared that there are over 300 apps on the Oculus Store for Gear VR.

New Products/Services

Year: 2016

In April 2016, Facebook introduced Windows 10 apps for Facebook and Messenger on desktop, and Instagram on mobile.

New Products/Services

Year: 2016

In April 2016, the company introduced new features for Facebook Live, enabling consumers to discover, share, and interact with live video, and personalize live broadcasts.

New Products/Services

Year: 2016

During February 2016, the company introduced Facebook Live to Android and more countries, enabling people on Android to share live video.

New Products/Services

Year: 2016

In February 2016, Facebook introduced Telecom Infra Project (TIP), an engineering-focused initiative to bring operators, infrastructure providers, system integrators, and other technology companies together to collaborate on the development of new technologies and deploy telecom network infrastructure.

New Products/Services

Year: 2016

During January 2016, the company introduced Facebook Sports Stadium, a dedicated place to experience sports in real-time with friends and the world.

Others

Year: 2016

In January 2016, the company selected Clonee, County Meath, Ireland as the site for its newest data center. The Clonee data center will be Facebook's first in Ireland. The facility will become part of the infrastructure that enables billions of people to socialize on Facebook, Messenger, and Instagram.

New Products/Services

Year: 2015

Facebook introduced Notify, a new application designed to deliver timely notifications, during November 2015.

New Products/Services

Year: 2015

During October 2015, the company launched TechPrep, a resource hub where underrepresented people

and their parents and guardians can learn more about computer science and programming and find resources to get them started.

New Products/Services

Year: 2015

In September 2015, Facebook rolled out 360-degree videos in the newsfeed.

New Products/Services

Year: 2015

In July 2015, the company announced a new tool, Security Checkup to enhance the security and enable security controls for its users.

Corporate Changes/Expansions

Year: 2015

During July 2015, Facebook announced to construct a new data center in Fort Worth, Texas.

New Products/Services

Year: 2015

In June 2015, the company introduced Facebook Lite, a new version of Facebook for Android that uses less data and works well across all network conditions.

New Products/Services

Year: 2015

During June 2015, the company introduced Facebook AI Research (FAIR) a new program and established AI research team in Paris, France. This program focuses on long-term research projects in image recognition, natural language processing, speech recognition, and the kinds of physical and logical infrastructure required to run these AI systems.

New Products/Services

Year: 2015

Facebook introduced the Internet.org Platform, an open program for developers to create services that integrate with Internet.org, in May 2015.

New Products/Services

Year: 2015

In April 2015, the company introduced voice calling feature in Messenger.

New Products/Services

Year: 2015

During April 2015, the company introduced Riff, a creative tool to make videos with friends.

New Products/Services

Year: 2015

In March 2015, the company launched Layout from Instagram, a new app that lets users combine multiple photos into a single image.

New Products/Services

Year: 2015

In March 2015, Facebook announced to offer new payments feature through its Messenger.

New Products/Services

Year: 2015

During February 2015, the company launched Ads Manager app, a new mobile app that lets marketers manage ads from anywhere.

New Products/Services

Year: 2015

Facebook and Reliance Communications launched Internet.org app in India, in February 2015.

New Products/Services

Year: 2015

During January 2015, Internet.org application was launched in Zambia and Kenya.

New Products/Services

Year: 2015

In January 2015, the company launched its Internet.org application for Tigo customers in Colombia. The application will give the customers free access to government services including: Instituto Colombiano para la Evaluacion de la Educacion, an education assessment service and Agronet, a service that provides information on agriculture and rural development.

New Products/Services

Year: 2014

At the end of 2014, the company introduced "Facebook Groups" app which helps people to share faster and more easily with all the groups.

New Products/Services

Year: 2014

Facebook introduced FB Techwire, a resource for journalists to discover original content including breaking news, first-person analysis, photos and videos posted to Facebook by technology influencers and organizations.

New Products/Services

Year: 2014

During 2014, the company introduced Say Thanks, a new service which allows users to create personalized video cards for their friends on Facebook.

New Products/Services

Year: 2014

In 2014, the company launched Facebook Media, a site highlighting great examples and new trends that illustrate how public figures, organizations and media companies are using Facebook to connect with their audiences.

Contracts/Agreements

Year: 2014

During 2014, the company partnered with Cherie Blair Foundation for Women to support women entrepreneurs.

New Products/Services

Year: 2014

Subsequently, in 2014 Facebook launched Hyperlapse from Instagram, a new app to capture high-quality time lapse videos even while in motion.

New Products/Services

Year: 2014

In addition during 2014, Facebook launched Internet.org app to make internet accessible to more people by providing a set of free basic services.

New Products/Services

Year: 2014

Also in 2014, the company launched Facebook Mentions, a new Facebook Creative Labs app that makes it easy for public figures to talk with their fans and each other on the go.

Acquisitions/Mergers/Takeovers

Year: 2014

Furthermore during 2014, the company acquired LiveRail, an advertising technology company that helps companies such as Major League Baseball (MLB.com), ABC, A&E Networks, Gannett, and Dailymotion to serve ads in the streaming videos. LiveRail's video supply-side platform (SSP) coupled with Facebook's expertise in relevancy, delivery and measurement would enhance the company's reach in the video advertising market.

New Products/Services

Year: 2014

In 2014, the company launched a new feature called Nearby Friends, which helps users to discover which friends are nearby or on the go.

New Products/Services

Year: 2014

During 2014, the company launched FB Newswire, a resource for journalists and newsrooms to find, share and embed newsworthy content from Facebook.

Acquisitions/Mergers/Takeovers

Year: 2014

In 2014, the company agreed to acquire wearable virtual reality technology company, Oculus VR, for approximately \$2 billion as part of its strategy to enhance its footprint in mobile devices. The company completed the transaction in the mid of 2014.

Acquisitions/Mergers/Takeovers

Year: 2014

Facebook agreed to acquire WhatsApp, a cross-platform mobile messaging company for approximately \$16 billion, including \$4 billion in cash and approximately \$12 billion in Facebook shares. This acquisition accelerates Facebook's ability to bring connectivity and utility in the mobile push. The company completed this transaction in the last quarter 2014.

New Products/Services

Year: 2014

During 2014, Facebook introduced Paper, a new app that helps users to explore and share stories from friends and the world around.

New Products/Services

Year: 2014

In 2014, the company launched Trending, a new product that is designed to surface interesting and relevant conversations allowing users to discover the best content from all across Facebook.

Incorporation/Establishment

Year: 2013

Later in 2013, Facebook announced plans to establish its fifth official engineering team in Boston, Massachusetts.

Corporate Changes/Expansions

Year: 2013

The company enhanced the Graph Search with the ability to search for status updates, photo captions, check-ins and comments.

Contracts/Agreements

Year: 2013

The company in partnership with Ericsson; MediaTek; Nokia; Opera; Qualcomm; and Samsung launched internet.org, a global partnership with the goal of making internet access available to the next five billion people. The companies will develop joint projects, share knowledge, and mobilize industry and governments to enhance internet penetration.

New Products/Services

Year: 2013

In 2013, the company launched Graph Search, a new feature which allows people to search for friends and Pages by name.

Incorporation/Establishment

Year: 2013

Subsequently, the company established a data center in Lulea, Sweden for serving live user traffic globally.

Incorporation/Establishment

Year: 2013

During 2013, the company established a data center in Altoona, Iowa.

Contracts/Agreements

Year: 2013

In 2013, the company entered into an agreement to acquire the Atlas Advertiser Suite (Atlas) from Microsoft. Atlas is a leading player in campaign management and measurement for marketers and agencies.

Corporate Changes/Expansions

Year: 2012

Later in 2012, the company expanded its AV Marketplace, its security product, to include seven new partners, including security companies avast!, AVG, Avira, Kaspersky, Panda, Total Defense and Webroot.

New Products/Services

Year: 2012

The company and cable and satellite television channel, CNN unveiled the Facebook-CNN Election Insights, a tool to display real-time charts and visualizations using Facebook Insights to gauge the volume of Facebook activity surrounding the election and candidates.

New Products/Services

Year: 2012

The company introduced Facebook Stories, a new site for users to share their stories.

Contracts/Agreements

Year: 2012

The company and Yahoo! entered into definitive agreements to launch a new advertising partnership, to extend and expand distribution arrangements, and settle all pending patent claims between the companies. Further, both the companies agreed to bring Yahoo!'s large media event coverage to Facebook users by collaborating on social integrations on the Yahoo! site.

Stock Listings/IPO

Year: 2012

During 2012, Facebook went for initial public offering in NASDAQ, and was listed under the FB symbol.

Contracts/Agreements

Year: 2012

In 2012, the company entered into an agreement with Microsoft to purchase a portion of the patent portfolio Microsoft acquired from mass media corporation AOL for \$550 million in cash.

Acquisitions/Mergers/Takeovers

Year: 2012

Facebook acquired Instagram, a photo-sharing app for mobile devices for an approximate consideration of \$1 billion, in 2012. Instagram is expected to complement the company's existing product base. Subsequently, Facebook opened a data center in Forest City, North Carolina.

New Products/Services

Year: 2011

In 2011, the company also launched next version of Open Graph.

New Products/Services

Year: 2011

The company launched Timeline, an enhanced and updated version of the Facebook profile.

Commercial Operation

Year: 2011

In 2011, Facebook received \$1 billion from investment banking firm Goldman Sachs in addition to the \$500 million direct investment made by investment firm Digital Sky Technologies and Goldman Sachs.

Contracts/Agreements

Year: 2010

In 2010, Facebook signed a partnership agreement with Yandex, Russia's largest search engine, where in Yandex integrated information from Facebook network on its website. This will allow Russian users to access public information on Facebook easily as such information will be searchable via Yandex.

New Products/Services

Year: 2010

During 2010, Facebook launched Groups, a shared space for users to discuss common issues.

New Products/Services

Year: 2010

Facebook introduced Graph API in 2010, which is a programming interface for the Facebook platform. The company launched social plug-ins, a set of modules that allow third parties to integrate with Facebook platform.

Acquisitions/Mergers/Takeovers

Year: 2009

Later in 2009, Facebook acquired FriendFeed, a service for sharing content on a real time basis.

Commercial Operation

Year: 2009

Digital Sky Technologies (DST), one of the leading internet investment groups, made a \$200 million investment in Facebook in exchange for preferred stock.

New Products/Services

Year: 2009

During 2009, the company launched Facebook payments.

New Products/Services

Year: 2009

In 2009, Facebook introduced "Like button" which enabled users to connect with things they care about on and off Facebook.

Others

Year: 2008

Later in 2008, the company selected online marketplace Oodle to power Marketplace, an application for online classifieds on Facebook.

Contracts/Agreements

Year: 2008

In 2008, Facebook and cloud computing company, Salesforce.com collaborated to create Force.com for Facebook which was designed to foster a global development community for Facebook's users and Salesforce.com's developers.

Corporate Changes/Expansions

Year: 2008

During 2008 the company expanded its offering in 23 languages which included French, German and Spanish.

New Products/Services

Year: 2008

In 2008, Facebook Connect, the next generation version of Facebook platform was launched.

New Products/Services

Year: 2008

The company introduced Chat feature in 2008, which enables instant messaging services

Contracts/Agreements

Year: 2007

Facebook extended strategic alliance with Microsoft where in Microsoft will take a \$240 million equity stake in Facebook's next round of financing at a \$15 billion valuation. Under the expanded strategic alliance, Microsoft will be the exclusive third-party advertising platform partner for Facebook, and will begin to sell advertising for Facebook internationally in addition to the US.

Management Changes

Year: 2007

During 2007, Mr. Ross and Mr. Hewitt joined Facebook's team to work on the development of Facebook platform and the company's website.

Acquisitions/Mergers/Takeovers

Year: 2007

The company acquired Parakey, a startup run by Blake Ross and Joe Hewitt, co-founders of Mozilla Firefox, an open-source and non-profit web browser.

Contracts/Agreements

Year: 2007

In 2007, Facebook partnered with Ziddio.com, a national multiplatform user-generated video site launched by Comcast Interactive Media. The partnership allowed Facebook users to create and share user-generated video.

New Products/Services

Year: 2007

During 2007, the company had 58 million MAUs.

New Products/Services

Year: 2007

In 2007, Facebook platform was launched with 65 developers and 85 applications. The company launched self-service advertisement platform and also Facebook pages.

Contracts/Agreements

Year: 2006

Furthermore in 2006, the company entered into a strategic alliance with Microsoft, pursuant to which the two companies collaborated to bring relevant advertising to the registered users of Facebook. The alliance aims at using Microsoft's advanced advertising technology coupled with the company's social network to drive the advertisement revenues.

Commercial Operation

Year: 2006

Facebook received a \$25 million funding, led by venture capital firm Greylock Partners while Meritech Capital Partners and Facebook's existing investors, Accel Partners and Peter Thiel also participated.

New Products/Services

Year: 2006

The company launched Share feature to over 20 partner websites.

New Products/Services

Year: 2006

During 2006, Facebook opened its registration to broad audience and introduced its core News Feed product.

Corporate Changes/Expansions

Year: 2006

In 2006, Facebook expanded to include workplace networks. Subsequently, the company rolled its first version of application interface (API).

New Products/Services

Year: 2006

Facebook Mobile, the company's mobile platform was launched in 2006.

Corporate Changes/Expansions

Year: 2005

The company also launched Photos, through which the users can upload photos, create albums and share the same. By the end of 2005, the company had six million MAUs.

Corporate Changes/Expansions

Year: 2005

Later in 2005, Facebook added international school networks as well.

Corporate Changes/Expansions

Year: 2005

In 2005, Facebook continued its expansion and supported about 800 college networks and the company added high school networks to its expansion plans.

Corporate Changes/Expansions

Year: 2004

Facebook began expansion to colleges and universities across the UK in 2004. By the end of the year, the company had one million monthly active users (MAUs).

New Products/Services

Year: 2004

In 2004, the company introduced the Facebook Wall, a forum for users to post messages to their friends.

Incorporation/Establishment

Year: 2004

Facebook Inc. (Facebook or "the company") was founded in 2004 as thefacebook.com at Harvard University.

KEY EMPLOYEES

Name	Job Title	Board	Compensation
Mark Zuckerberg	Chairman, Chief Executive Officer	Executive Board	5765832 USD
Sheryl K. Sandberg	Chief Operating Officer	Senior Management	24549457 USD
Jan Koum	Chief Executive Officer-WhatsApp Inc	Senior Management	1 USD
Marc L. Andreessen	Director	Non Executive Board	386006 USD
Susan D. Desmond-Hellmann	Director	Non Executive Board	386006 USD
Reed Hastings	Director	Non Executive Board	346006 USD
Erskine B. Bowles	Director	Non Executive Board	416006 USD
Peter A. Thiel	Director, Head-social network	Senior Management	346006 USD
David M. Wehner	Chief Financial Officer	Senior Management	16544275 USD
Mike Schroepfer	Chief Technology Officer	Senior Management	16459175 USD
Christopher K. Cox	Chief Product Officer	Senior Management	16533189 USD
Will Easton	Managing Director-Australia and New Zealand	Senior Management	
Susan Taylor	Chief Accounting Officer	Senior Management	
Rachel Whetstone	Vice President-Communications-Instagram, WhatsApp and Messenger	Senior Management	
Matt Idema	Chief Operating Officer-WhatsApp	Senior Management	
Colin S. Stretch	General Counsel, Vice President	Senior Management	
Mark Ritson	Managing Director-Australia	Senior Management	
David B. Fischer	Vice President-Business and Marketing Partnerships	Senior Management	
Kenneth I. Chenault	Director	Non Executive Board	
Nathaniel Gleicher	Head-Cybersecurity Policy	Senior Management	

KEY EMPLOYEE BIOGRAPHIES

Mark Zuckerberg

Board:Executive Board
Job Title:Chairman, Chief Executive Officer
Since:2012
Age:32

Mr. Zuckerberg has been the Chairman at Facebook since 2012 and the Chief Executive Officer and Founder since 2004. He attended Harvard University where he studied computer science.

Sheryl K. Sandberg

Board:Senior Management
Job Title:Chief Operating Officer
Since:2008
Age:47

Ms. Sandberg has been the Chief Operating Officer at Facebook since 2008. She also has been a Director at the company since 2012. Prior to joining Facebook, Ms. Sandberg was the Vice President of Global Online Sales and Operations at Google. Previously, she served as the Chief of Staff for the US Treasury Department under President Bill Clinton. Before that, Ms. Sandberg served as a Consultant at McKinsey & Company. She began her career as an Economist at the World Bank. Ms. Sandberg serves as a Director at the Walt Disney Company and SurveyMonkey.

Jan Koum

Board:Senior Management
Job Title:Chief Executive Officer-WhatsApp Inc
Since:2009
Age:41

Mr. Koum has been the Chief Executive Officer of WhatsApp at Facebook since 2009. He is a Co-Founder of WhatsApp. Mr. Koum has been a Director at the company since 2014.

Marc L. Andreessen

Board:Non Executive Board
Job Title:Director
Since:2008
Age:45

Mr. Andreessen has been a Director at Facebook since 2008. He has been the Co-Founder and a General Partner at Andreessen Horowitz since 2009. Previously, Mr. Andreessen co-founded and served as the Chairman at Opsware (formerly known as Loudcloud). He also served as the Chief Technology Officer at America Online. Mr. Andreessen was the co-founder at Netscape Communications, serving in various positions, including as the Chief Technology Officer and the Executive Vice President of Products. He also serves as a Director at Hewlett-Packard and several private companies.

Susan D. Desmond-Hellmann

Board:Non Executive Board
Job Title:Director
Since:2013
Age:59

Dr. Desmond-Hellmann has been a Director at Facebook since 2013. She is the Chief Executive Officer at the Gates Foundation. Prior to joining the Gates Foundation in 2014, Dr. Desmond-Hellmann served as the Chancellor and Arthur and Toni Rembe Rock Distinguished Professor at University of California, San Francisco (UCSF). From 2004 through 2009, she served as the President of Product Development at Genentech. Prior to joining Genentech in 2005, Dr. Desmond-Hellmann was the Associate Director of clinical cancer research at Bristol-Myers Squibb Pharmaceutical Research Institute. She also serves as a Director at Procter & Gamble.

Reed Hastings

Board:Non Executive Board
Job Title:Director
Since:2011
Age:56

Mr. Hastings has been a Director at Facebook since 2011. He has been the Chief Executive Officer and Chairman at Netflix since 1999. Prior to Netflix, Mr. Hastings served as the Chief Executive Officer at Technology Network. He served as the Chief Executive Officer at Pure Atria Software from 1991 until it was acquired by Rational Software in 1997. He previously served as a Director at Microsoft from 2007 to 2012.

Erskine B. Bowles

Board:Non Executive Board
Job Title:Director
Since:2011
Age:71

Mr. Bowles has been a Director at Facebook since 2011. He is the President Emeritus at the University of North Carolina and served as the President from 2006 through 2010. Mr. Bowles has also been a Senior Advisor at BDT Capital Partners since 2012. He served as the Co-Chair at the National Commission on Fiscal Responsibility and Reform in 2010. Mr. Bowles has been a Senior Advisor at Carousel Capital

since 2001. He served as the Managing Director at Carousel Capital from 1999 to 2001. Mr. Bowles was also a Partner at Forstmann Little from 1999 to 2001. He began his career in corporate finance at Morgan Stanley and subsequently helped found and ultimately served as the Chairman and Chief Executive Officer at Bowles Hollowell Connor. Mr. Bowles also was a Founder at Kitty Hawk Capital. He also serves as a Director at Morgan Stanley and Norfolk Southern.

Peter A. Thiel

Board:Senior Management
Job Title:Director, Head-social network
Since:2005
Age:50

Mr. Thiel has been a Head of social network from 2018 and Director at Facebook since 2005. He has been the President at Thiel Capital since 2011 and a Partner at Founders Fund since 2005. Mr. Thiel also has been the President at Clarium Capital Management since 2002. In 1998, he co-founded PayPal, where he served as the Chief Executive Officer, President and Chairman from 2000 until its acquisition by eBay in 2002.

David M. Wehner

Board:Senior Management
Job Title:Chief Financial Officer
Since:2014
Age:48

Mr. Wehner has been the Chief Financial Officer at Facebook since 2014. Prior to this, he served as the Vice President, Corporate Finance and Business Planning at the company. From 2010 through 2012, Mr. Wehner served as the Chief Financial Officer at Zynga. Before Zynga, he was a Managing Director at Allen & Company.

Mike Schroepfer

Board:Senior Management
Job Title:Chief Technology Officer
Since:2013
Age:42

Mr. Schroepfer has been the Chief Technology Officer at Facebook since 2013. Before joining Facebook, he was the Vice President of Engineering at Mozilla. Mr. Schroepfer was formerly the Chief Technology Officer at Sun Microsystems' data center automation division. He was the Co-Founder at CenterRun, which was acquired by Sun Microsystems. Mr. Schroepfer previously served as a Director at Ancestry.com from 2011 to 2012.

Christopher K. Cox

Board:Senior Management
Job Title:Chief Product Officer
Since:2014
Age:34

Mr. Cox has been the Chief Product Officer at Facebook since 2014. He joined Facebook in 2005 as a Software Engineer and subsequently became the Director of Human Resources.

Susan Taylor

Board:Senior Management
Job Title:Chief Accounting Officer
Since:2017

Ms. Susan Taylor has been the Chief Accounting Officer of Facebook since 2017. Prior to this, she served as the Chief Accounting Officer, Vice President and Corporate Controller of LinkedIn from 2012 to 2017. Ms. Taylor served as the Chief Accounting Officer, Vice President and Controller of Silver Spring Networks from 2009 to 2012. She held various leadership roles in the companies including Yahoo and PricewaterhouseCoopers.

MAJOR PRODUCTS & SERVICES

Facebook is a social networking platform which enables users to share ideas, opinions, pictures, videos and other activities. The company's key products and services include the following:

Services:

- Online Service Provider
- Messenger
- Instant Messaging Services
- Online Community Services

Brands:

- Facebook
- Instagram
- WhatsApp
- Oculus

SWOT ANALYSIS

Facebook Inc. (Facebook) is a social networking platform which enables users to share ideas, opinions, pictures, videos and other activities. The company's reach is a non-replicable competitive advantage that can be leveraged to enhance appeal for the advertisers. However, significant competition may impact its user base and level of user engagement, making it less attractive to developers and marketers, thus adversely affecting its revenue and results of operations.

<p>Strength</p> <p>Strong and sustainable financial performance Lucrative database provides value to advertisers and developers Growing user engagement increases appeal for advertisers</p>	<p>Weakness</p> <p>High dependence on advertising revenues</p>
<p>Opportunity</p> <p>Growing global mobile advertising market Strategic acquisitions Focus on AI technologies</p>	<p>Threat</p> <p>Intense competition Security breaches may negatively impact reputation and business Stringent regulatory environment</p>

Strength

Strong and sustainable financial performance

Facebook witnessed a strong growth in its financial performance over the last few years. The company reported total revenue of US\$27,638 million in FY2016, an increase of 54.2% as compared to US\$17,928 million in FY2015. The increase in revenue was primarily due to growth in the revenues from advertising business by 57.4% in FY2016. The increase in advertising business revenue was due to a 5% rise in the average price per advertisement. Furthermore, Facebook's user growth and engagement also supported the revenue growth. On a CAGR basis, the company's revenue grew by 52.6% during 2012-2016. In FY2016, operating margin of the company was 44.9% as compared to 34.7% in FY2015. Strong operating performance indicates efficient cost management by the company. The company's operating cost as a percentage of sales reduced from 65.3% in FY2015 to 55% in FY2016. In addition, its net profit margin increased to 36.9% in FY2016 from 20.6% in FY2015. Strong and sustainable financial performance provide resilience to the business operations and reduce vulnerability to market declines.

Lucrative database provides value to advertisers and developers

Facebook has a lucrative database which enables it to collect large amounts of information about users, their social connections, and their activities on the internet. This information is highly valuable to

advertisers and developers. The data that the company owns and controls provides substantial competitive advantages. The data set is hard to replicate as Facebook has a first mover advantage. Additionally, the company over the years built a network with many features like friends, actions, demographics and applications which together form a strong network. Facebook's value to third-party developers and their users is highlighted by the immense appeal the platform enjoyed as it opened up to third parties, including application and content developers. Apple and Android developers can connect their apps to the Facebook platform, for mobile applications. Facebook platform also provides many unique features for the benefit of the third parties which creates immense value. Through the social graph, third parties can distribute applications and content for discovery by customers, use Facebook data for better personalization and use platform capabilities such as payment capabilities. This value creates a virtuous circle between Facebook and its platform partners. Another unique and compelling feature has been the authentic identity which is the most important component of a social network. Facebook partners can use the company's login credentials through Facebook Connect instead of requiring users to separately register a new ID and password. This functionality enables the data to be more easily shared between the companies, allowing for better personalization, ad targeting and social functionality, such as sharing. According to Facebook, the websites convert casual users into registered users twice as often after deploying Facebook Connect login functionality. The company's rich data set and the value it creates are strong competitive advantages.

Growing user engagement increases appeal for advertisers

The company has been effectively increasing engagement among its users which further increases the appeal for advertisers. Engagement is measured by daily active users (DAUs) and DAUs as a percentage of monthly active users (MAUs). As of December 2016, the company had DAU of 1.2 billion, an increase of 18% year-over-year. The company also had more than 1.9 billion mobile MAU. Countries such as Brazil, Japan, India, and Indonesia are major drivers of the company's continuously increasing user base. In FY2016, the company's average revenue per user (ARPU) was US\$15.9, an increase of 33.6% over FY2015. The company's ARPU increased by 49% in FY2016 in the US and Canada, followed by 35% in Europe, 34% in Asia-Pacific and 25% in rest of world. The overall growth in DAUs and mobile DAUs was driven largely by increased usage of Facebook on mobile. This indicates strong growth in engagement and highlights the fact that more and more users are visiting Facebook on a daily basis which significantly enhances the appeal for advertisers. Moreover, the company's product development and enhancement investments are focused on increasing user engagement. For instance, in April 2016, the company introduced new features for Facebook Live, enabling consumers to discover, share, and interact with live video, and personalize live broadcasts. In January 2016, the company introduced Facebook Sports Stadium, a dedicated place to experience sports in real-time with friends and the world. Therefore, Facebook's ability to offer user engagement will further enhance the appeal of the platform to the users.

Weakness

High dependence on advertising revenues

The company primarily depends on advertisements for a majority of its revenues. In FY2016, FY2015, FY2014, and FY2013, advertising accounted for 97.3%, 95%, 92%, and 89% of the company's total revenues, respectively. Moreover, generally marketers do not have long-term advertising commitments

with Facebook and a number of them spend only a relatively small portion of their overall advertising budget with the company. In addition, marketers may view some of the company's products as experimental and unproven. Marketers may discontinue doing business with the company, or they will reduce the prices they are willing to pay to advertise with Facebook, if it does not deliver ads in an effective manner. The company's continued dependence on short term advertisement commitments for a majority of its revenues indicates vulnerability in a constantly evolving marketplace.

Opportunity

Growing global mobile advertising market

The mobile advertising market is expected to grow rapidly in the coming years. According to an in-house research, the global mobile advertising market was valued at US\$15.3 billion in 2015 and is projected to reach US\$99.8 billion in 2022, at a CAGR of 26.4%. Mobile advertising creates new opportunities for app developers, ad networks, mobile platform providers, specialty agencies and even communications service providers in certain regions. The growth in mobile advertising market is primarily due to increased uptake in smartphones and tablets, as well as the merger of consumer behaviors on computers and mobile devices. Facebook is well positioned to effectively tap into the rising mobile advertisement spend. In October 2017, Facebook acquired TBH, an anonymous polling mobile app popular with teens. The acquisition is expected to further support the company's mobile advertising business. As of December 2016, the company had on average more than 1.2 billion daily active users (DAUs). The company also had more than 1.9 billion mobile monthly active users in Facebook. DAUs accessing Facebook from mobile devices was over 1.15 billion. Furthermore, the company also witnessed a growth in mobile advertising revenues. In FY2016, mobile ads accounted for 83% of the total advertising revenue. The growth in mobile advertising could enable the company to monetize its mobile subscriber base, thus boosting revenues and profitability.

Strategic acquisitions

Facebook made several acquisitions in FY2016. For instance, in August 2017, the company acquired Fayetteq, a Germany-based startup that develops technologies for video manipulation, to further support its augmented reality (AR) ambitions. In October 2016, the company acquired InfiniLED. InfiniLED offers low powered light emitting diode (LED) technology to virtual-reality devices. The acquisition could strengthen Oculus a virtual reality technology and content platform. In November 2016, the company acquired Faciometrics a face recognition technology provider. The acquisition could help the company to enhance its sharing experiences for Facebook users. In May 2016, Facebook acquired Two Big Ears, a UK-based startup company, which designs immersive and interactive audio applications and tools, with a focus on mobile and emerging technologies. This acquisition would help Facebook to expand its 'virtual reality' business and to integrate the 3Dception technology into its own VR projects. In March 2016, Facebook acquired Masquerade Technologies Inc., which specializes in the fields of machine learning, face detection and tracking, facial expression recognition, 3D-graphics and visual effects. Masquerade developed several apps including MSQRD face-swapping selfie app. This acquisition is in line with company's strategy to give emphasis on expanding its video features, including its video editing tools to add features like stickers and texts on images. As a part of this initiative the company also acquired video-compression company QuickFire Networks, which quickly convert video formats and allow them to

be downloaded with less bandwidth and without a loss in video quality. The latest acquisitions are intended to supplement Facebook's growth, business expansion, technology platform and geographical presence.

Focus on AI technologies

Facebook invested in several long-term initiatives such as artificial intelligence (AI) research to develop technologies that we assists it better serve communities and pursue its mission to make the world more open and connected. The company's AI research and development (R&D) initiatives include expansion of its data center capacity. In this line, in July 2017, the company acquired Ozlo, a US-based artificial intelligence startup. The acquisition enables Facebook to develop a modern virtual assistant for users. Earlier in September 2016, the company partnered with Amazon.com, Inc., Apple Inc., Google, International Business Machines Corporation, and Microsoft Corporation to fund 'Partnership on AI'. The 'Partnership on AI' will work to advance public understanding of AI technology and formulate best practices on the challenges and opportunities. It could contribute its solutions in sectors such as health and well-being, transportation, education, and sciences.

Threat

Intense competition

The company faces significant competition in every aspect of its business, including from companies that provide tools to facilitate the sharing of information, companies that enable marketers to display personalized advertising and companies that provide development platforms for applications developers. The company competes with companies that offer full-featured products that replicate the range of communications and related capabilities provided by the company. For instance, Facebook competes with companies that develop applications, particularly mobile applications, that provide social or other communications functionality, such as messaging, photo- and video-sharing, and micro-blogging, and companies that provide web- and mobile-based information and entertainment products and services that are designed to engage users and capture time spent online and on mobile devices. In addition, the company faces competition from traditional, online, and mobile businesses that provide media for marketers to reach their audiences and/or develop tools and systems for managing and optimizing advertising campaigns.

Furthermore, the company's competitors may develop products, features, or services that are similar to the products offered by Facebook, which may achieve greater acceptance, may undertake more far-reaching and successful product development efforts or marketing campaigns, or may adopt more aggressive pricing policies. In addition, developers whose mobile and web applications are integrated with Facebook may use information shared by users through Facebook in order to develop products or features that compete with the company. Intense competition could impact the company's user base and level of user engagement, making it less attractive to developers and marketers, thereby adversely affecting its revenue and results of operations.

Security breaches may negatively impact reputation and business

The company is exposed to information security threats in the form of information leakage, cyber-attacks, spamming, hacking, intrusion and fraud. Computer malware, viruses, and computer hacking and phishing attacks have occurred on the company's systems in the past, and may occur in the future. Because of its prominence, Facebook is an attractive target for such attacks. Such attacks may cause interruptions to the services offered, and degrade the user experience and may harm Facebook's reputation and its ability to retain existing users and attract new users. The company's effort to save data or information it receives might also be unsuccessful due to software bugs or other technical malfunctions, employee error or malfeasance, government surveillance, or other factors. In addition, spammers attempt to use Facebook products to send targeted and untargeted spam messages to users, which may embarrass or annoy users and make Facebook less user-friendly. As a result of spamming activities, its users may reduce the usage of Facebook or stop using its products altogether. The company estimated that such user-misclassified and undesirable accounts may have represented less than 2% of its worldwide MAUs. Further, the percentage of such accounts is high in developing markets such as India and Turkey. If the company is involved in any security breaches, it would directly impact its brand image and user base thus adversely affecting its revenues.

Stringent regulatory environment

The company is subject to a variety of laws and regulations in the US and abroad that involve matters central to its business, including privacy and data protection, rights of publicity, content, intellectual property, advertising, marketing, distribution, data security, data retention and deletion, personal information, electronic contracts and other communications, competition, protection of minors, consumer protection, telecommunications, product liability, taxation, economic or other trade prohibitions or sanctions, securities law compliance, and online payment services. The introduction of new products or expansion may subject it to additional laws and regulations. In addition, foreign data protection, privacy, and other laws and regulations can be more restrictive than those in the US. Moreover, these US federal, state and foreign laws and regulations are constantly evolving and can be subject to significant change. In addition, the application, interpretation, and enforcement of these laws and regulations are often uncertain, particularly in the new and rapidly evolving industry in which Facebook operates, and may be interpreted and applied inconsistently from country to country. For instance, regulatory or legislative actions affecting the manner in which Facebook displays content to users could adversely affect user growth and engagement.

Furthermore, a number of proposals are pending before federal, state, and foreign legislative and regulatory bodies that could significantly affect the company's business. For example, the European Commission is considering a data protection regulation that may include operational requirements that may include that receive personal data that are different than those currently in place in the European Union, and that may also include significant penalties for noncompliance. Similarly, there are various legislative proposals in the US, at both the federal and state level, that could impose new obligations in areas affecting the company's business, such as liability for copyright infringement by third parties. In addition, some countries are considering or have passed legislation implementing data protection requirements or requiring local storage and processing of data or similar requirements that could increase the cost and complexity of delivering services. Non-compliance could subject Facebook to inquiries or investigations, claims or other remedies, including fines, which would affect its business prospects or results of operations.

TOP COMPETITORS

The following companies are the major competitors of Facebook, Inc.

Alphabet Inc
Altaba Inc.
Groupon, Inc.
Instagram, Inc.
LinkedIn Corporation
Microsoft Corporation
Myspace LLC
Pinterest, Inc.
Snap Inc
Tumblr, Inc
Twitter, Inc.
Yelp Inc.

COMPANY VIEW

An excerpt from the Management's Discussion and Analysis of Financial Condition and Results of Operations section is given below. The statement has been taken from the company's FY2016 10-K filing.

Our key user metrics and financial results for 2016 are as follows:

User growth: •Daily active users (DAUs) were 1.23 billion on average for December 2016, an increase of 18% year-over-year. •Monthly active users (MAUs) were 1.86 billion as of December 31, 2016, an increase of 17% year-over-year.

Financial results:•Revenue was \$27.64 billion, up 54% year-over-year, and ad revenue was \$26.89 billion, up 57% year-over-year. •Total costs and expenses were \$15.21 billion*. •Income from operations was \$12.43 billion*. •Net income was \$10.22 billion* with diluted earnings per share of \$3.49*. •Capital expenditures were \$4.49 billion. •Effective tax rate was 18%*. •Cash and cash equivalents, and marketable securities were \$29.45 billion as of December 31, 2016. •Headcount was 17,048 as of December 31, 2016.*In the fourth quarter of 2016, we elected to early adopt Accounting Standards Update No. 2016-09, Compensation-Stock Compensation (Topic 718): Improvement to Employee Share-based Payment Accounting (ASU 2016-09) which required us to reflect any adoption adjustments as of January 1, 2016, the beginning of the annual period that includes the interim period of adoption. As such, certain full year 2016 financial results data above included the impacts of the ASU 2016-09 adoption.

In 2016, we continued to make progress on our three main revenue growth priorities: (i) continuing to capitalize on the shift to mobile, (ii) growing the number of marketers using our ad products, and (iii) making our ads more relevant and effective through continued adoption of newer ad formats and tools for marketers.

We continued to invest, based on our roadmap, in: (i) our most developed ecosystem, the Facebook app and platform as well as video, (ii) driving growth and building ecosystems around our products and features that already have significant user bases, such as Messenger, Instagram, and WhatsApp, and (iii) long-term technology initiatives that we believe will further our mission to connect the world, such as virtual reality and artificial intelligence. We intend to continue to invest based on this roadmap and we expect these investments and our increasingly global scale will drive significant overall year-over-year expense growth compared to 2016. In addition, we anticipate our expenses in 2017 will continue to grow as we execute on priorities such as (i) hiring top engineering talent, (ii) investing in research and development, content, and sales and marketing efforts, and (iii) expanding our data center capacity and office facilities to support our rapid growth.

Trends in Our User Metrics

The numbers for our key metrics, our DAUs, MAUs, and average revenue per user (ARPU), do not include Instagram, WhatsApp, or Oculus users unless they would otherwise qualify as such users, respectively, based on their other activities on Facebook. In addition, other user engagement metrics do not include Instagram, WhatsApp, or Oculus unless otherwise specifically stated.

Trends in the number of users affect our revenue and financial results by influencing the number of ads we are able to show, the value of our ads to marketers, the volume of Payments transactions, as well as our expenses and capital expenditures. Substantially all of our daily and monthly active users (as defined below) access Facebook on mobile devices.

Daily Active Users (DAUs).

We define a daily active user as a registered Facebook user who logged in and visited Facebook through our website or a mobile device, or used our Messenger application (and is also a registered Facebook user), on a given day. We view DAUs, and DAUs as a percentage of MAUs, as measures of user engagement. Worldwide DAUs increased 18% to 1.23 billion on average during December 2016 from 1.04 billion during December 2015. We experienced growth in DAUs across major markets, including India, Indonesia, and Brazil.

Monthly Active Users (MAUs).

We define a monthly active user as a registered Facebook user who logged in and visited Facebook through our website or a mobile device, or used our Messenger application (and is also a registered Facebook user), in the last 30 days as of the date of measurement. MAUs are a measure of the size of our global active user community. As of December 31, 2016, we had 1.86 billion MAUs, an increase of 17% from December 31, 2015. Users in India, Indonesia, and Brazil represented key sources of growth in 2016, relative to the same period in 2015.

Trends in Our Monetization by User Geography

We calculate our revenue by user geography based on our estimate of the geography in which ad impressions are delivered, virtual and digital goods are purchased or virtual reality platform devices are shipped. We define ARPU as our total revenue in a given geography during a given quarter, divided by the average of the number of MAUs in the geography at the beginning and end of the quarter. While ARPU includes all sources of revenue, the number of MAUs used in this calculation only includes users of Facebook and Messenger as described in the definition of MAU above. The geography of our users affects our revenue and financial results because we currently monetize users in different geographies at different average rates. Our revenue and ARPU in regions such as United States & Canada and Europe are relatively higher primarily due to the size and maturity of those online and mobile advertising markets. For example, ARPU in 2016 in the United States & Canada region was more than eight times higher than in the Asia-Pacific region. For 2016, worldwide ARPU was \$15.98, an increase of 34% from 2015. Over this period, ARPU increased by 49% in United States & Canada, 35% in Europe, 34% in Asia-Pacific, and 25% in Rest of World. In addition, user growth was more rapid in geographies with relatively lower ARPU, such as Asia-Pacific and Rest of World. We expect that user growth in the future will be primarily concentrated in those regions where ARPU is relatively lower, such that worldwide ARPU may continue to increase at a slower rate relative to ARPU in any geographic region, or potentially decrease even if ARPU increases in each geographic region. Our revenue by user geography in the charts above is geographically apportioned based on our estimation of the geographic location of our users when they perform a revenue-generating activity. This allocation differs from our revenue by geography disclosure in our consolidated financial statements where revenue is geographically apportioned based on the location of the marketer or developer. We discovered an error in the algorithm we used to attribute our revenue by

user geography in late 2015. While this issue did not affect our overall worldwide revenue, it did affect our attribution of revenue to different geographic regions. The fourth quarter of 2015 revenue by user geography and ARPU amounts for all regions were adjusted to reflect this reclassification.

Critical Accounting Policies and Estimates

Our consolidated financial statements are prepared in accordance with U.S. generally accepted accounting principles (GAAP). The preparation of these consolidated financial statements requires us to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenue, costs and expenses, and related disclosures. We evaluate our estimates and assumptions on an ongoing basis. Our estimates are based on historical experience and various other assumptions that we believe to be reasonable under the circumstances. Our actual results could differ from these estimates. An accounting policy is deemed to be critical if it requires an accounting estimate to be made based on assumptions about matters that are highly uncertain at the time the estimate is made, if different estimates reasonably could have been used, or if changes in the estimate that are reasonably possible could materially impact the financial statements. We believe that the assumptions and estimates associated with revenue recognition for payments and other fees, income taxes, share-based compensation, loss contingencies, and business combinations and valuation of goodwill and other acquired intangible assets have the greatest potential impact on our consolidated financial statements. Therefore, we consider these to be our critical accounting policies and estimates.

Components of Results of Operations

Revenue

Advertising. We generate substantially all of our revenue from advertising. Our advertising revenue is generated by displaying ad products on Facebook, Instagram, and third-party affiliated websites or mobile applications. Marketers pay for ad products either directly or through their relationships with advertising agencies, based on the number of clicks made by people, the number of actions taken by people, or the number of impressions delivered. We recognize revenue from the delivery of click-based ads in the period in which a person clicks on the content, and action-based ads in the period in which a person takes the action the marketer contracted for. We recognize revenue from the display of impression-based ads in the contracted period in which the impressions are delivered. Impressions are considered delivered when an ad is displayed to people. The number of ads we show is subject to methodological changes as we continue to evolve our ads business and the structure of our ads products. We calculate price per ad as total ad revenue divided by the number of ads delivered, representing the effective price paid per impression by a marketer regardless of their desired objective such as impression, click, or action. For advertising revenue arrangements where we are not the primary obligor, we recognize revenue on a net basis.

Payments and other fees. We enable Payments from people to purchase virtual and digital goods from our developers. People can transact and make payments on the Facebook website by using debit and credit cards, PayPal, mobile phone payments, gift cards, or other methods. We receive a fee from developers when people make purchases in these applications using our Payments infrastructure. We recognize revenue net of amounts remitted to our developers. We have mandated the use of our Payments infrastructure for game applications on Facebook, and fees related to Payments are generated

almost exclusively from games. Our other fees revenue, which has not been significant in recent periods, consists primarily of revenue from the delivery of virtual reality platform devices and related platform sales, and our ad serving and measurement products.

2016 Compared to 2015.

Revenue in 2016 increased \$9.71 billion, or 54%, compared to 2015. The increase was mostly due to an increase in advertising revenue.

The most important factor driving advertising revenue growth was an increase in revenue from ads in News Feed. For 2016, we estimate that mobile advertising revenue represented approximately 83% of total advertising revenue, as compared with approximately 77% in 2015. Factors that influenced our advertising revenue growth in 2016 included (i) an increase in demand for our ad inventory, in part driven by an increase in the number of marketers actively advertising on Facebook, (ii) an increase in user growth and engagement, and (iii) an increase in the number and frequency of ads displayed in News Feed, as well as the quality, relevance, and performance of those ads. However, we anticipate increases in the number and frequency of ads displayed in News Feed will be a less significant driver of our revenue growth in the future. In 2016 compared to 2015, the average price per ad increased by 5% and the number of ads delivered increased by 50%. The increase in average price per ad was driven by a continued mix shift towards a greater percentage of our ads being shown in News Feed while the increase in the ads delivered was driven by the same factors that influenced our advertising growth.

Advertising spending is traditionally seasonally strong in the fourth quarter of each year. We believe that this seasonality in advertising spending affects our quarterly results, which generally reflect significant growth in advertising revenue between the third and fourth quarters and a decline in advertising spending between the fourth and subsequent first quarters. For instance, our advertising revenue increased 27%, 31%, and 22% between the third and fourth quarters of 2016, 2015, and 2014, respectively, while advertising revenue for both the first quarters of 2016 and 2015 declined 8% compared to the fourth quarters of 2015 and 2014.

Payments and other fees revenue in 2016 decreased \$96 million, or 11%, compared to 2015. The majority of the decrease in Payments and other fees revenue was due to decreased Payments revenue from games played on personal computers. We anticipate Payments and other fees revenue will continue to decline in 2017.

LOCATIONS AND SUBSIDIARIES

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Other Locations and Subsidiaries

Andale, Inc. (Delaware) Delaware USA	Edge Network Services Limited Dublin Dublin Dublin Dublin IRL
Facebook Ireland Holdings Limited IRL	Facebook Ireland Ltd Dublin Dublin Dublin Dublin IRL
Facebook Operations, LLC Delaware Delaware USA	Oculus VR LLC 1601 Willow Road Menlo Park California Menlo Park California USA Phone: 1 6505434800 Fax: 1 510 4741786 www.oculus.com
Pinnacle Sweden AB SWE	Siculus, LLC Delaware USA
Vitesse, LLC	WhatsApp Inc.

Delaware Delaware USA	1601 Willow Road Menlo Park California Menlo Park California USA www.whatsapp.com
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FINANCIAL OVERVIEW

Summarized Statement

*Note: Eliminations not included, all figures in Million except per share data.

Parameters	Currency	2013	2014	2015	2016	2017
Income Statements						
Total Revenue	USD	7,872.00	12,466.00	17,928.00	27,638.00	40,653.00
Gross Profit	USD	5,997.00	10,313.00	15,061.00	23,849.00	35,199.00
Operating Income	USD	2,804.00	4,994.00	6,225.00	12,427.00	20,203.00
Net Income	USD	1,500.00	2,940.00	3,688.00	10,217.00	15,934.00
Diluted Normalized EPS	USD	0.60	1.10	1.29	3.49	5.39
Balance Sheet						
Total Current Assets	USD	13,070.00	13,390.00	21,652.00	34,401.00	48,563.00
Total Assets	USD	17,895.00	39,966.00	49,407.00	64,961.00	84,524.00
Total Current Liabilities	USD	1,100.00	1,424.00	1,925.00	2,875.00	3,760.00
Total Liabilities	USD	2,425.00	3,870.00	5,189.00	5,767.00	10,177.00
Total Equity	USD	15,470.00	36,096.00	44,218.00	59,194.00	74,347.00
Total Common Shares Outstanding	USD	2,547.00	2,797.00	2,845.00	2,892.00	2,906.00
Cash Flow						
Cash from Operating Activities	USD	4,222.00	7,326.00	10,320.00	16,108.00	24,216.00
Cash from Investing Activities	USD	-2,624.00	-5,913.00	-9,434.00	-11,739.00	-20,038.00
Cash from Financing Activities	USD	-667.00	-298.00	-139.00	-310.00	-5,235.00
Net Change in Cash	USD	939.00	992.00	592.00	3,996.00	-824.00

Detailed Statement

*Note: Eliminations not included, all figures in Million except per share data.

Parameters	Currency	2013	2014	2015	2016	2017
Income Statements						
Revenue	USD	7,872.00	12,466.00	17,928.00	27,638.00	40,653.00
Total Revenue	USD	7,872.00	12,466.00	17,928.00	27,638.00	40,653.00
Cost of Revenue, Total	USD	1,875.00	2,153.00	2,867.00	3,789.00	5,454.00
Gross Profit	USD	5,997.00	10,313.00	15,061.00	23,849.00	35,199.00
Selling/ General/ Admin. Expenses, Total	USD	1,778.00	2,653.00	4,020.00	5,503.00	7,242.00
Research & Development	USD	1,415.00	2,666.00	4,816.00	5,919.00	7,754.00

Total Operating Expense	USD	5,068.00	7,472.00	11,703.00	15,211.00	20,450.00
Operating Income	USD	2,804.00	4,994.00	6,225.00	12,427.00	20,203.00
Other, Net	USD	1.00	-1.00	6.00	1.00	5.00
Net Income Before Taxes	USD	2,754.00	4,910.00	6,194.00	12,518.00	20,594.00
Provision for Income Taxes	USD	1,254.00	1,970.00	2,506.00	2,301.00	4,660.00
Net Income After Taxes	USD	1,500.00	2,940.00	3,688.00	10,217.00	15,934.00
Net Income Before Extra. Items	USD	1,500.00	2,940.00	3,688.00	10,217.00	15,934.00
Net Income	USD	1,500.00	2,940.00	3,688.00	10,217.00	15,934.00
Total Adjustments to Net Income	USD	-9.00	-15.00	-19.00	-29.00	-14.00
Income Available to Com Excl ExtraOrd	USD	1,491.00	2,925.00	3,669.00	10,188.00	15,920.00
Income Available to Com Incl ExtraOrd	USD	1,491.00	2,925.00	3,669.00	10,188.00	15,920.00
Dilution Adjustment	USD	9.00	15.00	19.00	29.00	14.00
Diluted Net Income	USD	1,500.00	2,940.00	3,688.00	10,217.00	15,934.00
Diluted Weighted Average Shares	USD	2,517.00	2,664.00	2,853.00	2,925.00	2,956.00
Diluted EPS Excluding ExtraOrd Items	USD	0.60	1.10	1.29	3.49	5.39
Diluted Normalized EPS	USD	0.60	1.10	1.29	3.49	5.39
DPS - Common Stock Primary Issue	USD	0.00	0.00	0.00	0.00	0.00
Balance Sheet						
Cash	USD	1,044.00	2,162.00	1,703.00	1,364.00	2,212.00
Cash & Equivalents	USD	2,279.00	2,153.00	3,204.00	7,539.00	5,867.00
Short Term Investments	USD	8,126.00	6,884.00	13,527.00	20,546.00	33,632.00
Cash and Short Term Investments	USD	11,449.00	11,199.00	18,434.00	29,449.00	41,711.00
Accounts Receivable - Trade, Net	USD	1,109.00	1,678.00	2,559.00	3,993.00	5,832.00
Total Receivables, Net	USD	1,109.00	1,678.00	2,559.00	3,993.00	5,832.00
Prepaid Expenses	USD	512.00	513.00	659.00	959.00	1,020.00
Total Current Assets	USD	13,070.00	13,390.00	21,652.00	34,401.00	48,563.00
Property/ Plant/ Equipment, Total - Gross	USD	4,142.00	5,784.00	7,819.00	11,803.00	18,337.00
Accumulated Depreciation, Total	USD	-1,260.00	-1,817.00	-2,132.00	-3,212.00	-4,616.00
Property/ Plant/ Equipment, Total - Net	USD	2,882.00	3,967.00	5,687.00	8,591.00	13,721.00
Goodwill, Net	USD	839.00	17,981.00	18,026.00	18,122.00	18,221.00

Intangibles, Net	USD	883.00	3,929.00	3,246.00	2,535.00	1,884.00
Other Long Term Assets, Total	USD	221.00	699.00	796.00	1,312.00	2,135.00
Total Assets	USD	17,895.00	39,966.00	49,407.00	64,961.00	84,524.00
Accounts Payable	USD	268.00	378.00	413.00	582.00	770.00
Accrued Expenses	USD	555.00	866.00	1,248.00	2,203.00	2,662.00
Notes Payable/ Short Term Debt	USD	0.00	0.00	201.00	0.00	0.00
Current Port. of LT Debt/ Capital Leases	USD	239.00	114.00	7.00	0.00	0.00
Other Current liabilities, Total	USD	38.00	66.00	56.00	90.00	328.00
Total Current Liabilities	USD	1,100.00	1,424.00	1,925.00	2,875.00	3,760.00
Long Term Debt	USD	0.00	0.00	0.00	0.00	0.00
Capital Lease Obligations	USD	237.00	119.00	107.00	0.00	0.00
Total Long Term Debt	USD	237.00	119.00	107.00	0.00	0.00
Total Debt	USD	476.00	233.00	315.00	0.00	0.00
Deferred Income Tax	USD	0.00	769.00	163.00	0.00	0.00
Other Liabilities, Total	USD	1,088.00	1,558.00	2,994.00	2,892.00	6,417.00
Total Liabilities	USD	2,425.00	3,870.00	5,189.00	5,767.00	10,177.00
Preferred Stock - Non Redeemable, Net	USD	0.00	0.00	0.00	0.00	0.00
Common Stock, Total	USD	0.00	0.00	0.00	0.00	0.00
Additional Paid-In Capital	USD	12,297.00	30,225.00	34,886.00	38,227.00	40,584.00
Retained Earnings (Accumulated Deficit)	USD	3,159.00	6,099.00	9,787.00	21,670.00	33,990.00
Unrealized Gain (Loss)	USD	2.00	-1.00	-25.00	-121.00	-211.00
Other Equity, Total	USD	12.00	-227.00	-430.00	-582.00	-16.00
Total Equity	USD	15,470.00	36,096.00	44,218.00	59,194.00	74,347.00
Total Liabilities & Shareholders' Equity	USD	17,895.00	39,966.00	49,407.00	64,961.00	84,524.00
Total Common Shares Outstanding	USD	2,547.00	2,797.00	2,845.00	2,892.00	2,906.00
Total Preferred Shares Outstanding	USD	0.00	0.00	0.00	0.00	0.00
Cash Flow						
Net Income/ Starting Line	USD	1,500.00	2,940.00	3,688.00	10,217.00	15,934.00
Depreciation/ Depletion	USD	1,011.00	1,243.00	1,945.00	2,342.00	3,025.00
Deferred Taxes	USD	-37.00	-210.00	-795.00	-457.00	-377.00
Non-Cash Items	USD	1,072.00	3,615.00	4,698.00	3,248.00	3,747.00
Changes in Working Capital	USD	676.00	-262.00	784.00	758.00	1,887.00
Cash from Operating Activities	USD	4,222.00	7,326.00	10,320.00	16,108.00	24,216.00
Capital Expenditures	USD	-1,362.00	-1,831.00	-2,523.00	-4,491.00	-6,733.00

Other Investing Cash Flow Items, Total	USD	-1,262.00	-4,082.00	-6,911.00	-7,248.00	-13,305.00
Cash from Investing Activities	USD	-2,624.00	-5,913.00	-9,434.00	-11,739.00	-20,038.00
Financing Cash Flow Items	USD	-280.00	-55.00	-20.00	2.00	-3,259.00
Issuance (Retirement) of Stock, Net	USD	1,504.00	0.00	0.00	0.00	-1,976.00
Issuance (Retirement) of Debt, Net	USD	-1,891.00	-243.00	-119.00	-312.00	0.00
Cash from Financing Activities	USD	-667.00	-298.00	-139.00	-310.00	-5,235.00
Foreign Exchange Effects	USD	8.00	-123.00	-155.00	-63.00	233.00
Net Change in Cash	USD	939.00	992.00	592.00	3,996.00	-824.00
Cash Interest Paid	USD	38.00	14.00	10.00	11.00	0.00
Cash Taxes Paid	USD	82.00	178.00	270.00	1,210.00	2,117.00

Summarized Interim Statement

Income Statements	Currency	Mar-2017 (3 Months)	Jun-2017 (3 Months)	Sep-2017 (3 Months)	Dec-2017 (3 Months)
Total Revenue	USD	8,032.00	9,321.00	10,328.00	12,972.00
Gross Profit	USD	6,873.00	8,084.00	8,880.00	11,361.00
Operating Income	USD	3,327.00	4,401.00	5,122.00	7,352.00
Net Income	USD	3,064.00	3,894.00	4,707.00	4,269.00
Diluted Normalized EPS	USD	1.04	1.32	1.59	1.44
Balance Sheet	Currency	Mar-2017	Jun-2017	Sep-2017	Dec-2017
Total Current Assets	USD	36,930.00	40,804.00	44,203.00	48,563.00
Total Assets	USD	68,714.00	73,843.00	78,998.00	84,524.00
Total Current Liabilities	USD	2,928.00	3,315.00	3,305.00	3,760.00
Total Liabilities	USD	6,526.00	7,362.00	7,790.00	10,177.00
Total Equity	USD	62,188.00	66,481.00	71,208.00	74,347.00
Total Common Shares Outstanding	USD	2,898.00	2,903.00	2,906.00	2,906.00
Cash Flow	Currency	Mar-2017 (3 Months)	Jun-2017 (6 Months)	Sep-2017 (9 Months)	Dec-2017 (12 Months)
Cash from Operating Activities	USD	5,058.00	10,418.00	16,545.00	24,216.00
Cash from Investing Activities	USD	-5,891.00	-11,331.00	-15,045.00	-20,038.00
Cash from Financing Activities	USD	-992.00	-1,861.00	-3,392.00	-5,235.00
Net Change in Cash	USD	-1,799.00	-2,651.00	-1,702.00	-824.00

Detailed Interim Statement

Income Statements	Currency	Mar-2017 (3 Months)	Jun-2017 (3 Months)	Sep-2017 (3 Months)	Dec-2017 (3 Months)
Revenue	USD	8,032.00	9,321.00	10,328.00	12,972.00
Total Revenue	USD	8,032.00	9,321.00	10,328.00	12,972.00
Cost of Revenue, Total	USD	1,159.00	1,237.00	1,448.00	1,611.00
Gross Profit	USD	6,873.00	8,084.00	8,880.00	11,361.00
Selling/ General/ Admin. Expenses, Total	USD	1,712.00	1,764.00	1,706.00	2,060.00
Research & Development	USD	1,834.00	1,919.00	2,052.00	1,949.00
Total Operating Expense	USD	4,705.00	4,920.00	5,206.00	5,620.00
Operating Income	USD	3,327.00	4,401.00	5,122.00	7,352.00
Other, Net	USD	14.00	-4.00	6.00	-10.00
Net Income Before Taxes	USD	3,408.00	4,488.00	5,236.00	7,462.00
Provision for Income Taxes	USD	344.00	594.00	529.00	3,193.00
Net Income After Taxes	USD	3,064.00	3,894.00	4,707.00	4,269.00
Net Income Before Extra. Items	USD	3,064.00	3,894.00	4,707.00	4,269.00
Net Income	USD	3,064.00	3,894.00	4,707.00	4,269.00
Total Adjustments to Net Income	USD	-5.00	-4.00	-3.00	-1.00
Income Available to Com Excl ExtraOrd	USD	3,059.00	3,890.00	4,704.00	4,268.00
Income Available to Com Incl ExtraOrd	USD	3,059.00	3,890.00	4,704.00	4,268.00
Dilution Adjustment	USD	5.00	4.00	3.00	1.00
Diluted Net Income	USD	3,064.00	3,894.00	4,707.00	4,269.00
Diluted Weighted Average Shares	USD	2,944.00	2,951.00	2,956.00	2,962.00
Diluted EPS Excluding ExtraOrd Items	USD	1.04	1.32	1.59	1.44
Diluted Normalized EPS	USD	1.04	1.32	1.59	1.44
DPS - Common Stock Primary Issue	USD	0.00	0.00	0.00	0.00
Balance Sheet	Currency	Mar-2017	Jun-2017	Sep-2017	Dec-2017
Cash	USD	1,427.00	1,452.00	1,629.00	2,212.00
Cash & Equivalents	USD	5,677.00	4,800.00	5,572.00	5,867.00
Short Term Investments	USD	25,202.00	29,200.00	31,088.00	33,632.00
Cash and Short Term Investments	USD	32,306.00	35,452.00	38,289.00	41,711.00
Accounts Receivable - Trade, Net	USD	3,415.00	3,897.00	4,424.00	5,832.00
Total Receivables, Net	USD	3,415.00	3,897.00	4,424.00	5,832.00
Prepaid Expenses	USD	1,209.00	1,455.00	1,490.00	1,020.00
Total Current Assets	USD	36,930.00	40,804.00	44,203.00	48,563.00
Property/ Plant/ Equipment, Total -	USD	13,032.00	14,668.00	16,446.00	18,337.00

Gross					
Accumulated Depreciation, Total	USD	-3,570.00	-4,040.00	-4,288.00	-4,616.00
Property/ Plant/ Equipment, Total - Net	USD	9,462.00	10,628.00	12,158.00	13,721.00
Goodwill, Net	USD	18,126.00	18,129.00	18,213.00	18,221.00
Intangibles, Net	USD	2,360.00	2,186.00	2,050.00	1,884.00
Other Long Term Assets, Total	USD	1,836.00	2,096.00	2,374.00	2,135.00
Total Assets	USD	68,714.00	73,843.00	78,998.00	84,524.00
Accounts Payable	USD	448.00	601.00	697.00	770.00
Accrued Expenses	USD	2,400.00	2,626.00	2,503.00	2,892.00
Notes Payable/ Short Term Debt	USD	0.00	0.00	0.00	0.00
Other Current liabilities, Total	USD	80.00	88.00	105.00	98.00
Total Current Liabilities	USD	2,928.00	3,315.00	3,305.00	3,760.00
Total Long Term Debt	USD	0.00	0.00	0.00	0.00
Total Debt	USD	0.00	0.00	0.00	0.00
Other Liabilities, Total	USD	3,598.00	4,047.00	4,485.00	6,417.00
Total Liabilities	USD	6,526.00	7,362.00	7,790.00	10,177.00
Common Stock, Total	USD	0.00	0.00	0.00	0.00
Additional Paid-In Capital	USD	38,639.00	39,291.00	40,199.00	40,584.00
Retained Earnings (Accumulated Deficit)	USD	24,175.00	27,560.00	31,209.00	33,990.00
Other Equity, Total	USD	-626.00	-370.00	-200.00	-227.00
Total Equity	USD	62,188.00	66,481.00	71,208.00	74,347.00
Total Liabilities & Shareholders' Equity	USD	68,714.00	73,843.00	78,998.00	84,524.00
Total Common Shares Outstanding	USD	2,898.00	2,903.00	2,906.00	2,906.00
Current Port. of LT Debt/ Capital Leases	USD	0.00	0.00	0.00	0.00
Capital Lease Obligations	USD	0.00	0.00	0.00	0.00
Cash Flow	Currency	Mar-2017 (3 Months)	Jun-2017 (6 Months)	Sep-2017 (9 Months)	Dec-2017 (12 Months)
Net Income/ Starting Line	USD	3,064.00	6,959.00	11,665.00	15,934.00
Depreciation/ Depletion	USD	671.00	1,400.00	2,172.00	3,025.00
Deferred Taxes	USD	-84.00	-58.00	-152.00	-377.00
Non-Cash Items	USD	872.00	1,911.00	2,927.00	3,747.00
Cash Taxes Paid	USD	664.00	1,359.00	1,793.00	2,117.00
Cash Interest Paid	USD	0.00	0.00	0.00	0.00
Changes in Working Capital	USD	535.00	206.00	-67.00	1,887.00
Cash from Operating Activities	USD	5,058.00	10,418.00	16,545.00	24,216.00
Capital Expenditures	USD	-1,271.00	-2,715.00	-4,470.00	-6,733.00

Other Investing Cash Flow Items, Total	USD	-4,620.00	-8,616.00	-10,575.00	-13,305.00
Cash from Investing Activities	USD	-5,891.00	-11,331.00	-15,045.00	-20,038.00
Financing Cash Flow Items	USD	-764.00	-1,483.00	-2,374.00	-3,259.00
Issuance (Retirement) of Stock, Net	USD	-228.00	-378.00	-1,018.00	-1,976.00
Issuance (Retirement) of Debt, Net	USD	0.00	0.00	0.00	0.00
Cash from Financing Activities	USD	-992.00	-1,861.00	-3,392.00	-5,235.00
Foreign Exchange Effects	USD	26.00	123.00	190.00	233.00
Net Change in Cash	USD	-1,799.00	-2,651.00	-1,702.00	-824.00

Capital Market Ratios

Key Ratios	February 23, 2018
P/E (Price/Earnings) Ratio	50.42
EV/EBITDA (Enterprise Value/Earnings Before Interest, Taxes, Depreciation and Amortization)	0.00
Enterprise Value/Sales	0.00
Enterprise Value/Operating Profit	0.00
Enterprise Value/Total Assets	0.00
Dividend Yield	0.00
Market Cap	511,789.59
Enterprise Value	0.00

Annual Ratios

Key Ratios	Unit Currency	2013	2014	2015	2016	2017
Growth Ratios						
Sales Growth	%	0.00	54.69	58.36	43.82	54.16
Operating Income Growth	%	0.00	421.19	78.10	24.65	99.63
EBITDA Growth	%	0.00	457.49	78.29	26.15	102.10

Net Income Growth	%	0.00	2,730.19	96.00	25.44	177.03
EPS Growth	%	0.00	3,934.87	85.18	17.13	170.22
Working Capital Growth	%	0.00	17.18	-0.03	64.86	59.81
Equity Ratios						
EPS (Earnings per Share)	USD	0.01	0.60	1.10	1.29	3.49
Dividend per Share	USD	0.00	0.00	0.00	0.00	0.00
Book Value per Share	USD	4.95	6.07	12.91	15.54	20.47
Cash Value per Share	USD	1.00	0.89	0.77	1.13	2.61
Profitability Ratios						
Gross Margin	%	73.20	76.18	82.73	84.01	86.29
Operating Margin	%	10.57	35.62	40.06	34.72	44.96
Net Profit Margin	%	1.04	19.05	23.58	20.57	36.97
Profit Markup	%	273.09	319.84	479.01	525.32	629.43
PBT Margin (Profit Before Tax)	%	9.71	34.98	39.39	34.55	45.29
Return on Equity	%	0.45	9.70	8.14	8.34	17.26
Return on Capital Employed	%	3.83	16.70	12.96	13.11	20.02
Return on Assets	%	0.35	8.38	7.36	7.46	15.73
Return on Fixed Assets	%	14.03	58.11	18.79	22.43	40.66
Return on Working Capital	%	5.27	23.43	41.73	31.56	39.42
Cost Ratios						
Operating Costs (% of Sales)	%	89.43	64.38	59.94	65.28	55.04
Administration Costs (% of Sales)	%	35.13	22.59	21.28	22.42	19.91
Liquidity Ratios						
Current Ratio	Absolute	10.71	11.88	9.40	11.25	11.97
Quick Ratio	Absolute	10.71	11.88	9.40	11.25	11.97
Cash Ratio	Absolute	9.15	10.41	7.86	9.58	10.24
Leverage Ratios						
Debt to Equity Ratio	Absolute	0.20	0.03	0.01	0.01	0.00
Net Debt to Equity	Absolute	0.00	-0.05	0.01	-0.03	-0.10
Debt to Capital Ratio	Absolute	0.17	0.03	0.01	0.01	0.00
Efficiency Ratios						
Asset Turnover	Absolute	0.34	0.44	0.31	0.36	0.43
Fixed Asset Turnover	Absolute	2.13	2.73	3.14	3.15	3.22
Current Asset Turnover	Absolute	0.45	0.60	0.93	0.83	0.80
Capital Employed Turnover	Absolute	0.43	0.51	0.35	0.41	0.47
Working Capital Turnover	Absolute	0.50	0.66	1.04	0.91	0.88
Revenue per Employee	USD	0.00	0.00	0.00	0.00	0.00
Net Income per Employee	USD	0.00	0.00	0.00	0.00	0.00
Capex to Sales	%	24.27	17.30	14.69	14.07	16.25
R&D to Sales	%	27.49	17.98	21.39	26.86	21.42

Interim Ratios

Key Ratios	Currency	March 01,2017	June 01,2017	September 01,2017	December 01,2017	Ratio Type
EPS (Earnings per Share)	USD	1.04	1.32	1.59	1.44	Equity Ratios
Book Value per Share	USD	21.46	22.90	24.50	25.58	Equity Ratios
Current Ratio	Absolute	12.61	12.31	13.38	12.92	Liquidity Ratios

