

FACEBOOK, INC.
CONSOLIDATED STATEMENTS OF INCOME
(In millions, except per share amounts)

	Year Ended December 31,		
	2018	2017	2016
Revenue	\$ 55,838	\$ 40,653	\$ 27,638
Costs and expenses:			
Cost of revenue	9,355	5,454	3,789
Research and development	10,273	7,754	5,919
Marketing and sales	7,846	4,725	3,772
General and administrative	3,451	2,517	1,731
Total costs and expenses	30,925	20,450	15,211
Income from operations	24,913	20,203	12,427
Interest and other income (expense), net	448	391	91
Income before provision for income taxes	25,361	20,594	12,518
Provision for income taxes	3,249	4,660	2,301
Net income	\$ 22,112	\$ 15,934	\$ 10,217
Less: Net income attributable to participating securities	1	14	29
Net income attributable to Class A and Class B common stockholders	\$ 22,111	\$ 15,920	\$ 10,188
Earnings per share attributable to Class A and Class B common stockholders:			
Basic	\$ 7.65	\$ 5.49	\$ 3.56
Diluted	\$ 7.57	\$ 5.39	\$ 3.49
Weighted average shares used to compute earnings per share attributable to Class A and Class B common stockholders:			
Basic	2,890	2,901	2,863
Diluted	2,921	2,956	2,925
Share-based compensation expense included in costs and expenses:			
Cost of revenue	\$ 284	\$ 178	\$ 113
Research and development	3,022	2,820	2,494
Marketing and sales	511	436	368
General and administrative	335	289	243
Total share-based compensation expense	\$ 4,152	\$ 3,723	\$ 3,218

See Accompanying Notes to Consolidated Financial Statements.