

EXHIBIT 173

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**From:** Justin Osofsky </O=THEFACEBOOK/OU=FIRST ADMINISTRATIVE GROUP/CN=RECIPIENTS/CN=JOSOFSKY>  
**Sent:** Wednesday, October 31, 2012 11:00 PM  
**To:** Mike Vernal; Douglas Purdy  
**Cc:** Sam Lessin; Dan Rose  
**Subject:** Re: Zuck Follow-Ups & Platform Business Model Conversation Next Week

We're making solid progress on several of the below analyses including the "top 5-10 partner deals", "FB marginal user analysis", and "policy analysis". More generally, I've been thinking about how best to frame up the discussion on Wednesday. I would think of structuring the deck along the following lines (and plan to take a first cut for everyone to review by EOD Friday):

- **Level setting on the status quo:** what data do partners "read" from Platform? Key analysis: volume of API calls by data field.
- **Understanding the value of "read" data:** how valuable is "read" data? Is the value quantifiable? Key analyses:
  - What value do partners perceive from existing data? ("FB marginal user analysis")
  - What value does analogous data have in our ads system? We're mapping ad targeting to platform permissions to evaluate the incremental value of each data field in the context of the ads auction.
  - What data do we not expose today which could have value (e.g., coefficient)? How valuable is this to partners?
  - What incremental value does the data have over other ways in which developers can acquire info (e.g., iOS)?
- **Capturing the value of "read" data:** what is the best way for FB to capture the value of "read" data? Key analysis: evaluating the pros and cons of the following approaches:
  - Cost plus
  - Price per data field
  - Price per user
  - Ongoing rev share after a user connects
  - Custom BD deals (i.e., "top 5-10 partner deals")
  - "Loss leader": using data to drive incremental value to our ads and payments businesses
- **Preserving the value of "read" data:** what additional changes to platform are required to maintain the value of the data?
  - API changes: friends' basic info, contact info, extended info, stream API, search API.
  - Policy changes: competing social networks, reciprocity, size-based restrictions.
- **Evaluating the risks:** what are the risks with the above approaches (e.g., reaction of the developer community)?

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**From:** Mike Vernal <vernal@fb.com>  
**Date:** Wednesday, October 31, 2012 8:20 PM  
**To:** Justin Osofsky <josofsky@fb.com>, Douglas Purdy <dmp@fb.com>

**Cc:** Sam Lessin <sl@fb.com>, Dan Rose <drose@fb.com>, Mike Vernal <vernal@fb.com>

**Subject:** Zuck Follow-Ups & Platform Business Model Conversation Next Week

(FYI for Sam + Dan.)

We have a meeting w/ Zuck + mteam next Wed @ 10am to continue to platform business model conversation.

I'll be out between then and now, but I'll jump on email and take responsibility for framing that conversation with a deck.

I expect that conversation to be 5-10 minutes of framing and then a broader conversation about how we could price this stuff (some extension of Mark's email this morning).

There's a bunch of analysis we have in-flight that I think it would be good to have written down for the meeting, if/when it comes up:

- **Top 5-10 Partner Deals** - who would we try to strike a deal with, and what would we try to get. Justin, I assume you're driving this? I think it'd be good to have a straw man here so people can react to it.
- **FB User Marginal Value Analysis** - for FB partners, how much more valuable is an FB user than a non-FB user. Mark keeps hearing FB users are "way more valuable." We keep telling him that's not substantiated (other than Spotify). We should debug this (and make sure we include games in this analysis). Justin, assume you're driving this?
- **Loss Leader Analysis** - does the read-side of platform drive meaningful marginal value on the distribution side of the business? If we were to yank the read-side, would that harm the distribution business (both current + future)? I assume Justin + Doug driving this (Justin analysis for current value, Doug + Justin for what changes would mean to future monetization).
- **API Change Analysis** - what is impact on the ecosystem of killing friend information. Doug/Charles/Vlad should drive (we haven't kicked this off yet, but would be good to understand how many apps impacted, biggest apps impacted, whether we'd whitelist folks, etc.)
- **Policy Changes** - we didn't talk about this on Monday, but we should just be prepared to talk about proposed policy changes. We can just use the slides already prepared.

There are other analyses we're doing, but I don't think they're critical for Wed. We should be doing these and reviewing when ready, though:

- **Coefficient Analysis** - how would we expose + price coefficient. Charles + Vlad driving.
- **OG Monetization Analysis** - how valuable is the OG data we're getting, and the opportunity here? Deb/Rohit driving this.
- **Click Value Model** - how we do change the click value model in feed. Will/Rose driving this.
- **Invitations Spec** - how we charge for invitations. Assume Gareth is driving this.

Sound reasonable? Anything I missed?