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- FB has a strong position in mobile and even though they still have room to grow, they feel strong enough in their position that strategically they want to start focusing on building the next major computing platform that will come after mobile.
 - * Investigate VR gets market \Rightarrow see if information on outlook can be fixed at the time.
 - \Rightarrow Consider that with Oculus + WhatsApp both losing money, FB margin should go down.
- They 10-15 years there's a new major computing platform.
- This acquisition is a long-term bet on the future.
- Oculus Rift headset beta version is highly anticipated by the gaming community & Oculus has already received orders for more than 75,000 development kits. Developers are mostly gamers who want to develop games for the Oculus.
- Oculus will operate independently.
- Vision for Oculus is not only around gaming with possible use for events as well as education, etc.
 - * FB see it as a new social platform.
 - \Rightarrow Today social network are about sharing moments, they will later be about sharing experiences.
- Acquisition of Oculus is tied to strategy pillar #3 which is Building the Knowledge Economy which is really about building new tech platforms.

BRENDAN IRIBE Oculus Founder

- Started Oculus in 2012 with the vision of making incredible, affordable, and ubiquitous VR available to the world.
- Started with the focus of next-generation gaming.
- Teams are culturally aligned.

DAVID EBERSMAN

- Transaction Details:
 - * Total \Rightarrow \$2 billion
 - \$400 million \rightarrow Cash
 - 25.1 million FB shares
 - * Additional \Rightarrow \$300 million
 - Mix of cash & shares tied to the completion of certain milestones.

QUESTIONS

- Most interesting application for Oculus in the future.
 - * Started off in gaming because that's where the first prototype of a VR set was made.
 - * See it later affecting the whole entertainment industry.
 - * Now see the potential that lies as a full social experience.
- Competition / other products in the market.
 - * Oculus is right now the most advanced in the market.
 - * People spend 40% of their time in mobile gaming and the other 40% on social media
 - \rightarrow Other companies who only function with their consoles can't have the same market outlook.
- FB not developing themselves.
 - * They would be lightyears behind & Oculus has the people.
 - * FB does not have experience on the hardware side.
- More acquisitions in the short term?
 - * WhatsApp + Oculus were your finds and if they find such companies in the future they will consider them but some rhythm of acquisitions is not to be expected.
- Valuation:
 - * Focused mainly on the market opportunity with gaming that is the segment farthest along.
 - \Rightarrow Focused full value solely on gaming.
- Why now? Why do they see VR as this big opportunity?
 - * Oculus has now found a way to make the product in a cost effective way.