

- Reclassification Certificate creating Class C stock not yet effective as of June 2017.
- Shares repurchased as of June → 3M Class A shares for \$408 M.
- Revenue by Geography P.19
 - ↳ No country other than the US represents more than 10%.
- Announced a new mission:
 - ↳ Give people the power to build community & bring the world closer together.
- ARPU: \$4.73, ↑24%.

Income Statement

Revenue ↑45%

- Ad +47% | Payments -20%.
- Mobile ads → 81% of ad revenue.
- Same factors for growth
- Still anticipate that # & frequency of ads will be a less significant driver.
- Avg price per ad ↑24% & # of ads delivered ↑19%.
 - ↳ Increase in demand of ad inventory → drive avg price up.
 - ↳ Increase in # was partially offset by increasing user engagement with video content.
- Payment decline due to same reason.
- Negative impact due to FX (+14M using same rate for Q2)

COST OF REVENUE ↑35%

- Increase in operational expenses.

RESEARCH & DEVELOPMENT ↑30%

- Payroll → +48% headcount

MARKETING & SALES ↑25%

- Payroll → +30% headcount

GENERAL & ADM ↑55%

- Legal-related costs
- Payroll → +47% headcount

Taxes ↑26%

- Decrease in effective tax rate from 17% to 13%.

LIQUIDITY & CAPITAL RESOURCES

- NOL \$3.74B
 - Tax credit \$104M
 - Trapped cash \$991B
- } P.31

OTHER NOTES

- Settlement agreement with Social Rangers 2017 who sued FB in December 2014 for violation of US antitrust laws in connection to virtual currency services.