

- In Sept 2017, board of directors decided to abandon the Reclassification → will not proceed with the issuance of the dividend of Class C stock.
- Continued purchasing shares: 7 million class A for \$1.04 B as of Sept. 2017.
- No individual country apart from the US represents 10% of revenue or more.
- User trend metrics do not include Instagram, WhatsApp or Oculus.
- User growth driven by India, Indonesia & Brazil for DAVs.
 - ↳ More MAUs → India, Indonesia & Vietnam.
- Since many users of FB also use other platforms, user who are not also on FB or Messenger was not material.
- ARPU → \$5.07 +26% vs 2016

INCOME STATEMENT VARIATIONS

FACTOR	VARIATION YOY	DRIVER
Revenue	+ 47%	<ul style="list-style-type: none"> • Advertising +49% Payments -5% • Increase in revenue from ads in mobile (88% of total ad revenue from mobile) • Factors that influenced in increase of ads: <ul style="list-style-type: none"> • Increase in avg price per ad • Increase in users and their engagement • Increase in # and frequency of ads (still expect this to be a less predominant factor). • Avg price of ad increase 35% # of ads increase 10% <ul style="list-style-type: none"> • Increase in demand for ad inventory increased price. • Increase in number of ads due to more users and engagement. • Decrease in payments continues to occur due to decrease in use of PC games. • Weakening of US dollar had a positive impact on international revenue.
Cost of Revenue	+47%	Increase in operational expenses from datacenter and technical infrastructure.
R&D	+33%	Payroll +51% headcount
Marketing & Sales	+26%	Payroll +34% headcount
General & Admin	+22%	Payroll +57% headcount
Taxes	-1%	Effective tax rate reduced from 17% to 10% due to income in jurisdictions with lower statutory tax rates.

LIQUIDITY & CAPITAL RESOURCES: P. 32

- NOL \$4.15B
- Federal tax credit \$131M
- Trapped cash \$12.89B