

FACEBOOK, INC.
CONDENSED CONSOLIDATED BALANCE SHEETS
(In millions, except for number of shares and par value)
(Unaudited)

	September 30, 2017	December 31, 2016
Assets		
Current assets:		
Cash and cash equivalents	\$ 7,201	\$ 8,903
Marketable securities	31,088	20,546
Accounts receivable, net of allowances for doubtful accounts of \$103 and \$94 as of September 30, 2017 and December 31, 2016, respectively	4,424	3,993
Prepaid expenses and other current assets	1,490	959
Total current assets	44,203	34,401
Property and equipment, net	12,158	8,591
Intangible assets, net	2,050	2,535
Goodwill	18,213	18,122
Other assets	2,374	1,312
Total assets	\$ 78,998	\$ 64,961
Liabilities and stockholders' equity		
Current liabilities:		
Accounts payable	\$ 383	\$ 302
Partners payable	314	280
Accrued expenses and other current liabilities	2,503	2,203
Deferred revenue and deposits	105	90
Total current liabilities	3,305	2,875
Other liabilities	4,485	2,892
Total liabilities	7,790	5,767
Stockholders' equity:		
Common stock, \$0.000006 par value; 5,000 million Class A shares authorized, 2,385 million and 2,354 million shares issued and outstanding, including 1 million and 4 million outstanding shares subject to repurchase, as of September 30, 2017 and December 31, 2016, respectively; 4,141 million Class B shares authorized, 521 million and 538 million shares issued and outstanding, including 1 million and 2 million outstanding shares subject to repurchase, as of September 30, 2017 and December 31, 2016, respectively	—	—
Additional paid-in capital	40,199	38,227
Accumulated other comprehensive loss	(200)	(703)
Retained earnings	31,209	21,670
Total stockholders' equity	71,208	59,194
Total liabilities and stockholders' equity	\$ 78,998	\$ 64,961

See Accompanying Notes to Condensed Consolidated Financial Statements.

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

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2017	2016	2017	2016
Revenue	\$ 10,328	\$ 7,011	\$ 27,681	\$ 18,829
Costs and expenses:				
Cost of revenue	1,448	987	3,843	2,742
Research and development	2,052	1,542	5,805	4,356
Marketing and sales	1,170	926	3,351	2,654
General and administrative	536	439	1,831	1,217
Total costs and expenses	5,206	3,894	14,830	10,969
Income from operations	5,122	3,117	12,851	7,860
Interest and other income, net	114	47	281	125
Income before provision for income taxes	5,236	3,164	13,132	7,985
Provision for income taxes	529	537	1,467	1,337
Net income	\$ 4,707	\$ 2,627	\$ 11,665	\$ 6,648
Less: Net income attributable to participating securities	3	7	13	20
Net income attributable to Class A and Class B common stockholders	\$ 4,704	\$ 2,620	\$ 11,652	\$ 6,628
Earnings per share attributable to Class A and Class B common stockholders:				
Basic	\$ 1.62	\$ 0.91	\$ 4.02	\$ 2.32
Diluted	\$ 1.59	\$ 0.90	\$ 3.95	\$ 2.28
Weighted average shares used to compute earnings per share attributable to Class A and Class B common stockholders:				
Basic	2,904	2,871	2,898	2,857
Diluted	2,956	2,931	2,954	2,918
Share-based compensation expense included in costs and expenses:				
Cost of revenue	\$ 47	\$ 30	\$ 128	\$ 81
Research and development	776	636	2,233	1,853
Marketing and sales	114	95	330	272
General and administrative	73	63	218	181
Total share-based compensation expense	\$ 1,010	\$ 824	\$ 2,909	\$ 2,387

See Accompanying Notes to Condensed Consolidated Financial Statements.

FACEBOOK, INC.
CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
(In millions)
(Unaudited)

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2017	2016	2017	2016
Net income	\$ 4,707	\$ 2,627	\$ 11,665	\$ 6,648
Other comprehensive income (loss):				
Change in foreign currency translation adjustment, net of tax	174	35	480	55
Change in unrealized gain/loss on available-for-sale investments and other, net of tax	(4)	(33)	23	28
Comprehensive income	<u>\$ 4,877</u>	<u>\$ 2,629</u>	<u>\$ 12,168</u>	<u>\$ 6,731</u>

See Accompanying Notes to Condensed Consolidated Financial Statements.