Facebook Inc
Form 10-Q
October 30, 2014
UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-Q

(Mark One)
x QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934
For the quarterly period ended September 30, 2014
or
o TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934
For the transition period from to
Commission File Number: 001-35551

FACEBOOK, INC.
(Exact name of registrant as specified in its charter)

Delaware	20-1665019
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification Number)

1601 Willow Road, Menlo Park, California 94025
(Address of principal executive offices and Zip Code)
(650) 543-4800
(Registrant's telephone number, including area code)

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 (Exchange Act) during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes x No ¨
Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes x No ¨
Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See definition of "large accelerated filer," "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act. (Check one):

Large accelerated filer x	Accelerated filer ¨
Non-accelerated filer ¨ (Do not check if a smaller reporting company)	Smaller reporting company ¨

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes ¨ No x
Indicate the number of shares outstanding of each of the issuer's classes of Common Stock, as of the latest practicable date.

Class	Number of Shares Outstanding
Class A Common Stock $0.000006 par value	2,223,936,268 shares outstanding as of October 27, 2014
Class B Common Stock $0.000006 par value	563,911,667 shares outstanding as of October 27, 2014

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NOTE ABOUT FORWARD-LOOKING STATEMENTS

This Quarterly Report on Form 10-Q contains forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. All statements contained in this Quarterly Report on Form 10-Q other than statements of historical fact, including statements regarding our future results of operations and financial position, our business strategy and plans, and our objectives for future operations, are forward-looking statements. The words "believe," "may," "will," "estimate," "continue," "anticipate," "intend," "expect," and similar expressions are intended to identify forward-looking statements. We have based these forward-looking statements largely on our current expectations and projections about future events and trends that we believe may affect our financial condition, results of operations, business strategy, short-term and long-term business operations and objectives, and financial needs. These forward-looking statements are subject to a number of risks, uncertainties and assumptions, including those described in Part II, Item 1A, "Risk Factors" in this Quarterly Report on Form 10-Q. Moreover, we operate in a very competitive and rapidly changing environment. New risks emerge from time to time. It is not possible for our management to predict all risks, nor can we assess the impact of all factors on our business or the extent to which any factor, or combination of factors, may cause actual results to differ materially from those contained in any forward-looking statements we may make. In light of these risks, uncertainties and assumptions, the future events and trends discussed in this Quarterly Report on Form 10-Q may not occur and actual results could differ materially and adversely from those anticipated or implied in the forward-looking statements.

We undertake no obligation to revise or publicly release the results of any revision to these forward-looking statements, except as required by law. Given these risks and uncertainties, readers are cautioned not to place undue reliance on such forward-looking statements.

Unless expressly indicated or the context requires otherwise, the terms "Facebook," "company," "we," "us," and "our" in this document refer to Facebook, Inc., a Delaware corporation, and, where appropriate, its wholly owned subsidiaries. The term "Facebook" may also refer to our products, regardless of the manner in which they are accessed. For references to accessing Facebook on the "web" or via a "website," such terms refer to accessing Facebook on desktop or personal computers. For references to accessing Facebook on "mobile," such term refers to accessing Facebook via a mobile application or via a mobile-optimized version of our website such as m.facebook.com, whether on a mobile phone or tablet.

LIMITATIONS OF KEY METRICS AND OTHER DATA

The numbers for our key metrics, which include our daily active users (DAUs), mobile DAUs, monthly active users (MAUs), mobile MAUs, and average revenue per user (ARPU), as well as certain other metrics such as mobile-only DAUs and mobile-only MAUs, are calculated using internal company data based on the activity of user accounts. While these numbers are based on what we believe to be reasonable estimates of our user base for the applicable period of measurement, there are inherent challenges in measuring usage of our products across large online and mobile populations around the world.

For example, there may be individuals who maintain one or more Facebook accounts in violation of our terms of service. We estimate, for example, that "duplicate" accounts (an account that a user maintains in addition to his or her principal account) may have represented between approximately 4.3% and 7.9% of our worldwide MAUs in 2013. We also seek to identify "false" accounts, which we divide into two categories: (1) user-misclassified accounts, where users have created personal profiles for a business, organization, or non-human entity such as a pet (such entities are permitted on Facebook using a Page rather than a personal profile under our terms of service); and (2) undesirable accounts, which represent user profiles that we determine are intended to be used for purposes that violate our terms of service, such as spamming. In 2013, for example, we estimate user-misclassified accounts may have represented between approximately 0.8% and 2.1% of our worldwide MAUs and undesirable accounts may have represented between approximately 0.4% and 1.2% of our worldwide MAUs. We believe the percentage of accounts that are duplicate or false is meaningfully lower in developed markets such as the United States or United Kingdom and higher in developing markets such as India and Turkey. However, these estimates are based on an internal review of a limited sample of accounts and we apply significant judgment in making this determination, such as identifying names that appear to be fake or other behavior that appears inauthentic to the reviewers. As such, our estimation of duplicate or false accounts may not accurately represent the actual number of such accounts. We are continually seeking to improve our ability to identify duplicate or false accounts and estimate the total number of such accounts, and such estimates may change due to improvements or changes in our methodology. Due to inherent variability in such estimates at particular dates of measurement, we disclose these estimates as a range over a recent period.

Our data limitations may affect our understanding of certain details of our business. For example, while user-provided data indicates a decline in usage among younger users, this age data is unreliable because a disproportionate number of our younger users register with an inaccurate age. Accordingly, our understanding of usage by age group may not be complete.

Some of our metrics have also been affected by applications on certain mobile devices that automatically contact our servers for regular updates with no user action involved, and this activity can cause our system to count the user associated with such a device as an active user on the day such contact occurs. For example, we estimate that less than 5% of our estimated worldwide DAUs as of December 31, 2011 resulted from this type of automatic mobile activity, and that this type of activity had a substantially smaller effect on our estimate of worldwide MAUs and mobile MAUs. The impact of this automatic activity on our metrics varies by geography because mobile usage varies in different regions of the world. In addition, our data regarding the geographic location of our users is estimated based on a number of factors, such as the user's IP address and self-disclosed location. These factors may not always accurately reflect the user's actual location. For example, a mobile-only user may appear to be accessing Facebook from the location of the proxy server that the user connects to rather than from the user's actual location. The methodologies used to measure user metrics may also be susceptible to algorithm or other technical errors. For example, in early June 2012, we discovered an error in the algorithm we used to estimate the geographic location of our users that affected our attribution of certain user locations for the period ended March 31, 2012. While this issue did not affect our overall worldwide DAU and MAU numbers, it did affect our attribution of users across different geographic regions. We estimate that the number of MAUs as of March 31, 2012 for the United States & Canada region was overstated as a result of the error by approximately 3% and this overstatement was offset by understatements in other regions. The number of such users for the period ended March 31, 2012 disclosed in "Management's Discussion and Analysis of Financial Condition and Results of Operations — Trends in Our User Metrics" reflects the reclassification to more correctly attribute users by geographic region. Our estimates for revenue by user location and revenue by user device are also affected by these factors.

We regularly review our processes for calculating these metrics, and from time to time we may discover inaccuracies in our metrics or make adjustments to improve their accuracy, including adjustments that may result in the recalculation of our historical metrics. We believe that any such inaccuracies or adjustments are immaterial unless otherwise stated. In addition, our DAU and MAU estimates will differ from estimates published by third parties due to differences in methodology. For example, some third parties are not able to accurately measure mobile users or do not count mobile users for certain user groups or at all in their analyses.

The numbers of DAUs, mobile DAUs, MAUs, mobile MAUs, mobile-only DAUs and mobile-only MAUs discussed in this Quarterly Report on Form 10-Q, as well as ARPU, do not include users of Instagram unless they would otherwise qualify as such users, respectively, based on their other activities on Facebook. In addition, other user engagement metrics included herein do not include Instagram unless otherwise specifically stated.

PART I—FINANCIAL INFORMATION

Item 1. Financial Statements

FACEBOOK, INC.

CONDENSED CONSOLIDATED BALANCE SHEETS

(In millions, except for number of shares and par value)

(Unaudited)

	September 30, 2014	December 31, 2013
Assets		
Current assets:		
Cash and cash equivalents	$8,999	$3,323
Marketable securities	5,251	8,126
Accounts receivable, net of allowances for doubtful accounts of $35 and $38 as of September 30, 2014 and December 31, 2013, respectively	1,363	1,109
Prepaid expenses and other current assets	502	512
Total current assets	16,115	13,070
Property and equipment, net	3,703	2,882
Intangible assets, net	1,317	883
Goodwill	2,612	839
Other assets	441	221
Total assets	$24,188	$17,895
Liabilities and stockholders' equity		
Current liabilities:		
Accounts payable	$120	$87
Partners payable	208	181
Accrued expenses and other current liabilities	709	555
Deferred revenue and deposits	48	38
Current portion of capital lease obligations	149	239
Total current liabilities	1,234	1,100
Capital lease obligations, less current portion	129	237
Other liabilities	1,587	1,088
Total liabilities	2,950	2,425
Stockholders' equity:		
Common stock, $0.000006 par value; 5,000 million Class A shares authorized, 2,044 million and 1,970 million shares issued and outstanding, including 4 million and 6 million outstanding shares subject to repurchase, as of September 30, 2014 and December 31, 2013, respectively; 4,141 million Class B shares authorized, 564 million and 577 million shares issued and outstanding, including 8 million and 6 million outstanding shares subject to repurchase, as of September 30, 2014 and December 31, 2013, respectively	—	—
Additional paid-in capital	15,949	12,297
Accumulated other comprehensive (loss) income	(109)	14
Retained earnings	5,398	3,159
Total stockholders' equity	21,238	15,470
Total liabilities and stockholders' equity	$24,188	$17,895

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,	
	2014	2013	2014	2013
Revenue	$3,203	$2,016	$8,615	$5,286
Costs and expenses:				
Cost of revenue	565	507	1,501	1,384
Research and development	608	369	1,555	1,006
Marketing and sales	374	233	1,055	704
General and administrative	259	171	643	520
Total costs and expenses	1,806	1,280	4,754	3,614
Income from operations	1,397	736	3,861	1,672
Interest and other income/(expense), net	(61)	(10)	(65)	(48)
Income before provision for income taxes	1,336	726	3,796	1,624
Provision for income taxes	530	301	1,557	647
Net income	$806	$425	$2,239	$977
Less: Net income attributable to participating securities	4	3	10	6
Net income attributable to Class A and Class B common stockholders	$802	$422	$2,229	$971
Earnings per share attributable to Class A and Class B common stockholders:				
Basic	$0.31	$0.17	$0.87	$0.40
Diluted	$0.30	$0.17	$0.86	$0.39
Weighted average shares used to compute earnings per share attributable to Class A and Class B common stockholders:				
Basic	2,587	2,430	2,565	2,408
Diluted	2,644	2,528	2,616	2,504
Share-based compensation expense included in costs and expenses:				
Cost of revenue	$16	$12	$44	$31
Research and development	243	164	643	432
Marketing and sales	53	34	146	91
General and administrative	41	29	108	79
Total share-based compensation expense	$353	$239	$941	$633

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,	
	2014	2013	2014	2013
Net income	$806	$425	$2,239	$977
Other comprehensive income (loss):				
Change in foreign currency translation adjustment	(102)	38	(123)	7
Change in unrealized gain/loss on available-for-sale investments, net of tax	(2)	4	—	1
Change in unrealized gain/loss on derivative, net of tax	—	(1)	—	3
Comprehensive income	$702	$466	$2,116	$988

See Accompanying Notes to Condensed Consolidated Financial Statements.

FACEBOOK, INC.
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(In millions)
(Unaudited)

	Nine Months Ended September 30, 2014	Nine Months Ended September 30, 2013
Cash flows from operating activities		
Net income	$2,239	$977
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	810	737
Lease abandonment	(31)	108
Share-based compensation	941	633
Deferred income taxes	(30)	21
Tax benefit from share-based award activity	1,354	277
Excess tax benefit from share-based award activity	(1,365)	(285)
Other	5	39
Changes in assets and liabilities:		
Accounts receivable	(264)	(145)
Prepaid expenses and other current assets	(45)	433
Other assets	(158)	(35)
Accounts payable	12	(17)
Partners payable	(22)	2
Accrued expenses and other current liabilities	198	(105)
Deferred revenue and deposits	3	6
Other liabilities	227	345
Net cash provided by operating activities	3,874	2,991
Cash flows from investing activities		
Purchases of property and equipment	(1,314)	(879)
Purchases of marketable securities	(6,215)	(4,364)
Sales of marketable securities	7,391	2,433
Maturities of marketable securities	1,710	2,954
Acquisitions of businesses, net of cash acquired, and purchases of intangible assets	(754)	(237)
Change in restricted cash and deposits	(113)	4
Other investing activities, net	(2)	(1)
Net cash provided by (used in) investing activities	703	(90)
Cash flows from financing activities		
Taxes paid related to net share settlement of equity awards	(3)	(706)
Proceeds from exercise of stock options	7	20
Repayment of long-term debt	—	(1,500)
Principal payments on capital lease obligations	(199)	(291)
Excess tax benefit from share-based award activity	1,365	285
Net cash provided by (used in) financing activities	1,170	(2,192)
Effect of exchange rate changes on cash and cash equivalents	(71)	7
Net increase in cash and cash equivalents	5,676	716
Cash and cash equivalents at beginning of period	3,323	2,384
Cash and cash equivalents at end of period	$8,999	$3,100

See Accompanying Notes to Condensed Consolidated Financial Statements.

FACEBOOK, INC.
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(In millions)
(Unaudited)

	Nine Months Ended September 30,	
	2014	2013
Supplemental cash flow data		
Cash paid during the period for:		
Interest	$11	$33
Income taxes	$107	$61
Cash received during the period for:		
Income taxes	$6	$419
Non-cash investing and financing activities:		
Net change in accounts payable and accrued expenses and other current liabilities related to property and equipment additions	$38	$31
Property and equipment acquired under capital leases	$—	$11
Fair value of shares issued related to acquisitions of businesses	$1,368	$77

See Accompanying Notes to Condensed Consolidated Financial Statements.

FACEBOOK, INC.
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(Unaudited)

Note 1. Summary of Significant Accounting Policies

Basis of Presentation

The accompanying unaudited condensed consolidated financial statements have been prepared in accordance with generally accepted accounting principles in the United States (GAAP) and applicable rules and regulations of the Securities and Exchange Commission regarding interim financial reporting. Certain information and note disclosures normally included in the financial statements prepared in accordance with GAAP have been condensed or omitted pursuant to such rules and regulations. As such, the information included in this quarterly report on Form 10-Q should be read in conjunction with the consolidated financial statements and accompanying notes included in our Annual Report on Form 10-K for the fiscal year ended December 31, 2013.

The condensed consolidated balance sheet as of December 31, 2013 included herein was derived from the audited financial statements as of that date, but does not include all disclosures including notes required by GAAP.

The condensed consolidated financial statements include the accounts of Facebook, Inc. and its wholly owned subsidiaries. All intercompany balances and transactions have been eliminated.

The accompanying condensed consolidated financial statements reflect all normal recurring adjustments necessary to present fairly the financial position, results of operations, and cash flows for the interim periods, but are not necessarily indicative of the results of operations to be anticipated for the full year ending December 31, 2014.

There have been no changes to our significant accounting policies described in our Annual Report on Form 10-K for the fiscal year ended December 31, 2013 that have had a material impact on our condensed consolidated financial statements and related notes.

Use of Estimates

Conformity with GAAP requires the use of estimates and judgments that affect the reported amounts in the condensed consolidated financial statements and accompanying notes. These estimates form the basis for judgments we make about the carrying values of our assets and liabilities, which are not readily apparent from other sources. We base our estimates and judgments on historical information and on various other assumptions that we believe are reasonable under the circumstances. GAAP requires us to make estimates and judgments in several areas, including, but not limited to, those related to revenue recognition, collectability of accounts receivable, contingent liabilities, fair value of financial instruments, fair value of acquired intangible assets and goodwill, useful lives of intangible assets and property and equipment, and income taxes. These estimates are based on management's knowledge about current events and expectations about actions we may undertake in the future. Actual results could differ materially from those estimates.

Recent Accounting Pronouncements

In May 2014, the Financial Accounting Standards Board issued guidance related to revenue from contracts with customers. Under this guidance, revenue is recognized when promised goods or services are transferred to customers in an amount that reflects the consideration that is expected to be received for those goods or services. The updated standard will replace most existing revenue recognition guidance under GAAP when it becomes effective and permits the use of either the retrospective or cumulative effect transition method. Early adoption is not permitted. The updated standard will be effective for us in the first quarter of 2017. We have not yet selected a transition method and we are currently evaluating the effect that the updated standard will have on our consolidated financial statements and related disclosures.

Note 2. Acquisitions

In July 2014, we completed our acquisition of Oculus VR, Inc. (Oculus), a privately-held company developing virtual reality technology that is expected to expand our platform. Pursuant to the merger agreement, we issued 23 million shares of our Class B common stock and paid $400 million in cash. Furthermore, up to an additional three million shares of our Class B common stock and $60 million in cash will be payable contingent upon the completion of certain milestones. We determined the acquisition-date fair value of the contingent consideration liability, based on the likelihood of payment related to the contingent earn-out clauses, as part of the consideration transferred. For contingent consideration to be settled in common stock, we use the fair value of the shares as of the acquisition date, which is remeasured on each reporting date until settlement. See Note 5 “Fair Value Measurements" for subsequent measurements of this contingent liability. The earn-out portion that would be payable to employee equityholders is subject to continuous employment through the applicable payment dates and as such has been excluded from purchase consideration transferred and accounted for as share-based compensation and other compensation expense. We have accounted for this acquisition as a business combination. This method requires, among other things, that assets acquired and liabilities assumed in a business combination be recognized at their fair values as of the acquisition date and that in-process research and development (IPR&D) be recorded at fair value on the balance sheet regardless of the likelihood of success of the related product or technology.

The following table summarizes the components of the purchase consideration transferred based on the closing price of our common stock as of the acquisition date (in millions):

Cash	$400	
Common stock	1,601	
Less: post-acquisition share-based compensation and other compensation expense	(297	)
Less: cash acquired on acquisition date	(20	)
Total purchase consideration, excluding contingent consideration	$1,684	
Contingent consideration	169	
Purchase consideration	$1,853	

Of the $297 million of share-based compensation and other compensation expense excluded from the purchase consideration above, approximately $13 million was recognized as share-based compensation at closing as a result of the vesting provisions of employee replacement awards on the acquisition date. The remaining $284 million is subject to continuous employment and will be recognized as share-based compensation and other compensation expense over the required service period of four years.

The fair value of assets acquired and liabilities assumed from our acquisition of Oculus was based on a preliminary valuation and our estimates and assumptions are subject to change within the measurement period. The primary areas of the purchase price that are not yet finalized are related to income taxes and residual goodwill. Measurement period adjustments that we determine to be material will be applied retrospectively to the period of acquisition in our condensed consolidated financial statements and, depending on the nature of the adjustments, other periods subsequent to the period of acquisition could also be affected.

In the nine months ended September 30, 2014, we also completed other business acquisitions for total cash consideration of $456 million. These acquisitions were not material to our condensed consolidated financial statements either individually or in the aggregate. We have included the financial results of Oculus and the other business acquisitions, which are not material, in our condensed consolidated financial statements from their respective dates of acquisition. Pro forma historical results of operations related to our acquisitions of Oculus and the other business acquisitions during the nine months ended September 30, 2014 have not been presented because they are not material to our condensed consolidated statements of income, either individually or in the aggregate.

The following table summarizes the allocation of the fair values of the assets acquired and liabilities assumed, including those items that are still preliminary, and the related useful lives, where applicable:

	Oculus			Other		
	(in millions)		Useful lives (in years)	(in millions)		Useful lives (in years)
Finite-lived intangible assets:						
Acquired technology	$235		5	$62		3 - 5
Tradename and other	132		2 - 7	87		3 - 5
IPR&D intangible assets	60			—		
Net assets acquired	—			104		
Deferred tax liabilities	(107	)		(41	)	
Net assets acquired	$320			$212		
Goodwill	1,533			244		
Total fair value	$1,853			$456		

IPR&D intangible assets represent the value assigned to acquired research and development projects that, as of the acquisition date had not established technological feasibility and had no alternative future use. The IPR&D intangible assets are capitalized and accounted for as indefinite-lived intangible assets and will be subject to impairment testing until completion or abandonment

of the projects. Upon successful completion of each project and launch of the product, we will make a separate determination of useful life of the IPR&D intangible assets and the related amortization will be recorded as an expense over the estimated useful life of the specific projects.

Goodwill generated from all business acquisitions completed during the nine months ended September 30, 2014 is primarily attributable to expected synergies from future growth, from potential monetization opportunities and, also for Oculus, as a potential to expand our platform. All goodwill generated during this period is not deductible for tax purposes.

Note 3. Earnings per Share

We compute earnings per share (EPS) of Class A and Class B common stock using the two-class method required for participating securities. We consider restricted stock awards to be participating securities because holders of such shares have non-forfeitable dividend rights in the event of our declaration of a dividend for common shares. Undistributed earnings allocated to participating securities are subtracted from net income in determining net income attributable to common stockholders. Basic EPS is computed by dividing net income attributable to common stockholders by the weighted-average number of shares of our Class A and Class B common stock outstanding, adjusted for outstanding shares that are subject to repurchase.

For the calculation of diluted EPS, net income attributable to common stockholders for basic EPS is adjusted by the effect of dilutive securities, including awards under our equity compensation plans. In addition, the computation of the diluted EPS of Class A common stock assumes the conversion of our Class B common stock to Class A common stock, while the diluted EPS of Class B common stock does not assume the conversion of those shares to Class A common stock. Diluted EPS attributable to common stockholders is computed by dividing the resulting net income attributable to common stockholders by the weighted-average number of fully diluted common shares outstanding.

Basic and dilutive securities in our basic and diluted EPS calculation for the three and nine months ended September 30, 2014 do not include contingent earn-out shares resulting from our acquisition of Oculus. Issuance of these earn-out shares is dependent upon the completion of certain milestones. These milestones were not met as of September 30, 2014 and accordingly, these shares are excluded from the effect of basic and dilutive securities.

We have also excluded 15 million restricted stock units (RSUs) from the EPS calculation for the nine months ended September 30, 2013 because the impact would be anti-dilutive. Shares excluded from the calculation were not material for the three and nine months ended September 30, 2014 and the three months ended September 30, 2013.

Basic and diluted EPS are the same for each class of common stock because they are entitled to the same liquidation and dividend rights.

The numerators and denominators of the basic and diluted EPS computations for our common stock were calculated as follows (in millions, except per share amounts):

	Three Months Ended September 30,				Nine Months Ended September 30,			
	2014		2013		2014		2013	
	Class A	Class B	Class A	Class B	Class A	Class B	Class A	Class B
Basic EPS:								
Numerator								
Net income	$632	$174	$320	$105	$1,747	$492	$717	$260
Less: Net income attributable to participating securities	3	1	2	1	8	2	4	2
Net income attributable to common stockholders	$629	$173	$318	$104	$1,739	$490	$713	$258
Denominator								
Weighted average shares outstanding	2,032	567	1,833	611	2,006	570	1,773	649
Less: Shares subject to repurchase	4	8	6	8	5	6	5	9
Number of shares used for basic EPS computation	2,028	559	1,827	603	2,001	564	1,768	640
Basic EPS	$0.31	$0.31	$0.17	$0.17	$0.87	$0.87	$0.40	$0.40
Diluted EPS:								
Numerator								
Net income attributable to common stockholders	$629	$173	$318	$104	$1,739	$490	$713	$258
Reallocation of net income attributable to participating securities	4	—	3	—	10	—	6	—
Reallocation of net income as a result of conversion of Class B to Class A common stock	173	—	104	—	490	—	258	—
Reallocation of net income to Class B common stock	—	7	—	13	—	18	—	29
Net income attributable to common stockholders for diluted EPS	$806	$180	$425	$117	$2,239	$508	$977	$287
Denominator								
Number of shares used for basic EPS computation	2,028	559	1,827	603	2,001	564	1,768	640
Conversion of Class B to Class A common stock	559	—	603	—	564	—	640	—
Weighted average effect of dilutive securities:								
Employee stock options	13	13	59	59	13	13	69	69
RSUs	36	14	33	33	32	13	21	21
Shares subject to repurchase	8	5	6	6	6	3	6	6
Number of shares used for diluted EPS computation	2,644	591	2,528	701	2,616	593	2,504	736
Diluted EPS	$0.30	$0.30	$0.17	$0.17	$0.86	$0.86	$0.39	$0.39

Note 4. Cash, Cash Equivalents and Marketable Securities

The following table sets forth the cash, cash equivalents and marketable securities (in millions):

	September 30, 2014	December 31, 2013
Cash and cash equivalents:		
Cash	$1,344	$1,044
Cash equivalents:		
Money market funds	7,655	2,279
Total cash and cash equivalents	8,999	3,323
Marketable securities:		
U.S. government securities	2,062	5,687
U.S. government agency securities	2,330	2,439
Corporate debt securities	859	—
Total marketable securities	5,251	8,126
Total cash, cash equivalents and marketable securities	$14,250	$11,449

The gross unrealized gains or losses on our marketable securities as of September 30, 2014 and December 31, 2013 were not significant. In addition, there were no securities in a continuous loss position for 12 months or longer as of September 30, 2014 and December 31, 2013.

The following table classifies our marketable securities by contractual maturities (in millions):

	September 30, 2014
Due in one year	$2,747
Due in one to two years	2,504
Total	$5,251

Note 5. Fair Value Measurements

Assets and liabilities measured at fair value on a recurring basis are summarized below (in millions):

Description	September 30, 2014	Fair Value Measurement at Reporting Date Using		
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Cash equivalents:				
Money market funds	$7,655	$7,655	$—	$—
Marketable securities:				
U.S. government securities	2,062	2,062	—	—
U.S. government agency securities	2,330	2,330	—	—
Corporate debt securities	859	—	859	—
Total cash equivalents and marketable securities	$12,906	$12,047	$859	$—
Other liabilities:				
Contingent consideration liability	$192	$—	$—	$192

Description	December 31, 2013	Fair Value Measurement at Reporting Date Using		
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Cash equivalents:				
Money market funds	$2,279	$2,279	$—	$—
Marketable securities:				
U.S. government securities	5,687	5,687	—	—
U.S. government agency securities	2,439	2,439	—	—
Total cash equivalents and marketable securities	$10,405	$10,405	$—	$—

We classify our cash equivalents and marketable securities within Level 1 or Level 2 because we use quoted market prices or alternative pricing sources and models utilizing market observable inputs to determine their fair value.

We classify our contingent consideration liability in connection with our acquisition of Oculus within Level 3 as factors used to develop the estimated fair value are unobservable inputs that are not supported by market activity. We estimate the fair value of our contingent consideration liability based on the present value of probability-weighted future cash flows related to the contingent earn-out criteria and the fair value of our common stock on each reporting date. Our fair value estimate of this liability was $169 million at the date of acquisition and changes in the fair value of the contingent consideration liability subsequent to the acquisition date, such as changes in the probability assessment and the fair value of our common stock, are recognized in earnings in the period when the change in the estimated fair value occurs. During the three and nine months ended September 30, 2014, we recognized a $23 million change in the fair value of our contingent consideration liability in research and development expense in our condensed consolidated statements of income primarily due to the change in the fair value of our common stock.

Note 6. Property and Equipment

Property and equipment consisted of the following (in millions):

	September 30, 2014	December 31, 2013
Land	$153	$45
Buildings	1,347	1,071
Leasehold improvements	279	203
Network equipment	2,704	2,351
Computer software, office equipment and other	134	95
Construction in progress	702	377
Total	5,319	4,142
Less: Accumulated depreciation	(1,616)	(1,260)
Property and equipment, net	$3,703	$2,882

Construction in progress includes costs primarily related to the expansion of our corporate headquarters in Menlo Park, California, construction of data centers, and network equipment infrastructure to support our data centers around the world. No interest was capitalized during the three months ended September 30, 2014 and 2013, and the nine months ended September 30, 2014. Interest capitalized during the nine months ended September 30, 2013 was not material.

Note 7. Goodwill and Intangible Assets

The change in the carrying amount of goodwill for the nine months ended September 30, 2014 is as follows (in millions):

Balance as of December 31, 2013	$839
Goodwill acquired	1,777
Effect of currency translation adjustment	(4)
Balance as of September 30, 2014	$2,612

Intangible assets consisted of the following (in millions):

		September 30, 2014			December 31, 2013		
	Useful lives from date of acquisitions (in years)	Gross Carrying Amount	Accumulated Amortization	Net Carrying Amount	Gross Carrying Amount	Accumulated Amortization	Net Carrying Amount
Finite-lived intangible assets:							
Acquired patents	2 - 18	$773	$ (215)	$558	$773	$ (142)	$631
Acquired technology	2 - 10	518	(104)	414	227	(65)	162
Tradename and other	2 - 10	357	(72)	285	138	(48)	90
Total finite-lived intangible assets:		$1,648	$ (391)	$1,257	$1,138	$ (255)	$883
Indefinite-lived intangible assets:							
IPR&D		$60	$ —	$60	$—	$ —	$—
Total intangible assets		$1,708	$ (391)	$1,317	$1,138	$ (255)	$883

Amortization expense of intangible assets was $59 million and $141 million for the three and nine months ended September 30, 2014, respectively, and $37 million and $106 million for the three and nine months ended September 30, 2013, respectively.

As of September 30, 2014, estimated amortization expense for the unamortized acquired intangible assets for the next five years and thereafter is as follows (in millions):

The remainder of 2014	$66
2015	260
2016	244
2017	209
2018	163
Thereafter	315
	$1,257

Note 8. Long-term Debt

In August 2013, we entered into a five-year senior unsecured revolving credit facility (2013 Revolving Credit Facility) that allows us to borrow up to $6.5 billion to fund working capital and general corporate purposes with interest payable on the borrowed amounts set at LIBOR plus 1.0%, as well as an annual commitment fee of 0.10% on the daily undrawn balance of the facility. We paid origination fees at closing of the 2013 Revolving Credit Facility, which fees are being amortized over the term of the facility. Any amounts outstanding under this facility will be due and payable on August 15, 2018. As of September 30, 2014, no amounts had been drawn down and we were in compliance with the covenants under this facility.

Note 9. Commitments and Contingencies

Leases

We entered into various capital lease arrangements to obtain property and equipment for our operations. Additionally, on occasion we have purchased property and equipment for which we have subsequently obtained capital financing under sale-leaseback transactions. These agreements are typically for three years, except for a building lease which is for 15 years, with interest rates ranging from 1% to 13%. The leases are secured by the underlying leased buildings, leasehold improvements, and equipment. We have also entered into various non-cancelable operating lease agreements for certain of our offices, equipment, land and data centers with original lease periods expiring between 2014 and 2029. We are committed to pay a portion of the related actual operating expenses under certain of these lease agreements. Certain of these arrangements have free rent periods or escalating rent payment provisions, and we recognize rent expense under such arrangements on a straight-line basis.

Operating lease expense was $31 million and $94 million for the three and nine months ended September 30, 2014, respectively, and $28 million and $101 million for the three and nine months ended September 30, 2013, respectively.

Other Agreement

In April 2014, we entered into a non-cancelable contractual commitment to spend a minimum of $140 million on network services over a period of 10 years.

Contingencies

Beginning on May 22, 2012, multiple putative class actions, derivative actions, and individual actions were filed in state and federal courts in the United States and in other jurisdictions against us, our directors, and/or certain of our officers alleging violation of securities laws or breach of fiduciary duties in connection with our initial public offering (IPO) and seeking unspecified damages. We believe these lawsuits are without merit, and we intend to continue to vigorously defend them. The vast majority of the cases in the United States, along with multiple cases filed against The NASDAQ OMX Group, Inc. and The Nasdaq Stock Market LLC (collectively referred to herein as NASDAQ) alleging technical and other trading-related errors by NASDAQ in connection with our IPO, were ordered centralized for coordinated or consolidated pre-trial proceedings in the U.S. District Court for the Southern District of New York. In a series of rulings in 2013 and 2014, the court denied our motion to dismiss the consolidated securities class action and granted our motions to dismiss the derivative actions against our directors and certain of our officers. The plaintiffs in four of these derivative actions have filed notices of appeal. In addition, the events surrounding our IPO became the subject of various state and federal government inquiries. In May 2014, the Securities and Exchange Commission (SEC) notified us that it had terminated its inquiry and that no enforcement action had been recommended by the SEC.

We are also party to various legal proceedings and claims that arise in the ordinary course of business. With respect to our outstanding legal matters, we believe that the amount or estimable range of reasonably possible loss will not, either individually or in the aggregate, have a material adverse effect on our business, consolidated financial position, results of operations, or cash flows. However, the outcome of litigation is inherently uncertain. Therefore, if one or more of these legal matters were resolved against us for amounts in excess of management's expectations, our results of operations and financial condition, including in a particular reporting period, could be materially adversely affected.

Note 10. Stockholders' Equity

Share-based Compensation Plans

We maintain two share-based employee compensation plans: the 2012 Equity Incentive Plan (2012 Plan) and the 2005 Stock Plan (collectively, Stock Plans). Our 2012 Plan serves as the successor to our 2005 Stock Plan and provides for the issuance of incentive and nonstatutory stock options, restricted stock awards, stock appreciation rights, RSUs, performance shares and stock bonuses to qualified employees, directors and consultants. Outstanding awards under the 2005 Stock Plan continue to be subject to the terms and conditions of the 2005 Stock Plan. The maximum term for stock options granted under the 2012 Plan may not exceed ten years from the date of grant. Our 2012 Plan will terminate ten years from the date of approval unless it is terminated earlier by our compensation committee.

We have initially reserved 25,000,000 shares of our Class A common stock for issuance under our 2012 Plan, which amount increases on the first day of January of each year through 2022 based on a formula or as determined by the board of directors. Our board of directors elected not to increase the number of shares reserved for issuance in 2014. In addition, shares available for grant under the 2005 Stock Plan, which were reserved but not issued or subject to outstanding awards under the 2005 Stock Plan as of the effective date of our IPO, were added to the reserves of the 2012 Plan and shares that were withheld in connection with the net settlement of RSUs were also added to the reserves of the 2012 Plan. In January 2014, we began requiring that employees sell a portion of the shares that they receive upon the vesting of RSUs in order to cover any required withholding taxes, rather than our previous approach of net share settlement.

In February 2014, we terminated our 2005 Officers' Plan as the only outstanding option issued under this plan had been exercised in full.

The following table summarizes the stock option activity under the Stock Plans during the nine months ended September 30, 2014:

	Shares Subject to Options Outstanding			
	Number of Shares	Weighted Average Exercise Price	Weighted-Average Remaining Contractual Term	Aggregate Intrinsic Value[(1)]
	(in thousands)		(in years)	(in millions)
Balance as of December 31, 2013	22,102	$3.56		
Stock options exercised	(5,015)	0.91		
Balance as of September 30, 2014	17,087	$4.34	3.22	$1,276
Stock options vested and expected to vest as of September 30, 2014	17,071	$4.33	3.22	$1,275
Stock options exercisable as of September 30, 2014	13,719	$2.48	2.56	$1,050

(1) The aggregate intrinsic value is calculated as the difference between the exercise price of the underlying stock option awards and the closing price of our Class A common stock of $79.04 on September 30, 2014.

The aggregate intrinsic value of options exercised was $117 million and $321 million for the three and nine months ended September 30, 2014, respectively, and $586 million and $1.17 billion for the three and nine months ended September 30, 2013, respectively.

The following table summarizes the activities for our unvested RSUs for the nine months ended September 30, 2014:

	Unvested RSUs	
	Number of Shares	Weighted Average Grant Date Fair Value
	(in thousands)	
Unvested at December 31, 2013	103,971	$27.30
Granted	33,844	70.04
Vested	(33,450)	24.77
Forfeited	(7,948)	33.87
Unvested at September 30, 2014	96,417	$42.64

The fair value as of the respective vesting dates of RSUs that vested during the three and nine months ended September 30, 2014 was $652 million and $2.19 billion, respectively, and $326 million and $1.15 billion, respectively, during the three and nine months ended September 30, 2013.

As of September 30, 2014, there was $4.17 billion of unrecognized share-based compensation expense, of which $3.71 billion is related to RSUs and $464 million is related to restricted shares, shares with performance conditions related to our contingent consideration liability, and stock options. This unrecognized compensation expense is expected to be recognized over a weighted-average period of approximately three years.

Note 11. Income Taxes

Our tax provision for interim periods is determined using an estimate of our annual effective tax rate, adjusted for discrete items arising in that quarter. In each quarter we update our estimate of the annual effective tax rate, and if our estimated annual tax rate changes, we make a cumulative adjustment in that quarter. Our quarterly tax provision, and our quarterly estimate of our annual effective tax rate, are subject to significant volatility due to several factors, including our ability to accurately predict our income (loss) before provision for income taxes in multiple jurisdictions, including the portions of our share-based compensation that will not generate tax benefits, and the effects of acquisitions and the integration of those acquisitions. In addition, our effective tax rate can be more or less volatile based on the amount of income before provision for income taxes.

Our effective tax rate has exceeded the U.S. statutory rate primarily because of the effect of non-deductible share-based compensation and the impact of acquiring intellectual property and integrating it into our business. Our effective tax rate in the future will depend on the portion of our profits earned within and outside the United States, which will also be affected by our methodologies for valuing our intellectual property and intercompany transactions.

We are subject to taxation in the United States and various other state and foreign jurisdictions. The material jurisdictions in which we are subject to potential examination include the United States and Ireland. We are under examination by the Internal Revenue Service (IRS) for our 2008, 2009 and 2010 tax years. We believe that adequate amounts have been reserved for any adjustments that may ultimately result from these examinations, and we do not anticipate a significant impact to our gross unrecognized tax benefits within the next 12 months related to these years. Our 2011 and subsequent tax years remain subject to potential examination by the IRS and all tax years starting in 2008 remain subject to potential examination in Ireland. We remain subject to possible examinations or are undergoing audits in various other jurisdictions that are not anticipated to be material to our financial statements.

Our gross unrecognized tax benefits were $1.51 billion and $1.32 billion as of September 30, 2014 and December 31, 2013, respectively. If the gross unrecognized tax benefits as of September 30, 2014 were realized in a future period, this would result in a tax benefit of $1.03 billion within our provision of income taxes at such time. Our existing tax positions will continue to generate an increase in unrecognized tax benefits in future periods.

Although the timing of the resolution, settlement, and closure of any audit is highly uncertain, it is reasonably possible that the balance of gross unrecognized tax benefits could significantly change in the next 12 months. However, given the number of years remaining that are subject to examination, we are unable to estimate the full range of possible adjustments to the balance of gross unrecognized tax benefits.

Note 12. Geographical Information

Revenue by geography is based on the billing address of the marketer or developer. The following tables set forth revenue and property and equipment, net by geographic area (in millions):

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2014	2013	2014	2013
Revenue:				
United States	$1,468	$940	$3,857	$2,438
Rest of the world (1)	1,735	1,076	4,758	2,848
Total revenue	$3,203	$2,016	$8,615	$5,286

(1) No individual country exceeded 10% of our total revenue for any period presented.

	September 30, 2014	December 31, 2013
Property and equipment, net:		
United States	$3,023	$2,368
Sweden	513	415
Rest of the world	167	99
Total property and equipment, net	$3,703	$2,882

Note 13. Subsequent Events

On October 6, 2014, we completed our acquisition of WhatsApp Inc. (WhatsApp), a privately-held cross-platform mobile messaging company that is expected to provide us with strategic advantages in the mobile ecosystem and expand our mobile messaging offerings. Pursuant to the merger agreement, we issued approximately 178 million shares of our Class A common stock and paid $4.59 billion in cash. We will also grant 46 million RSUs to WhatsApp employees.

Upon acquisition, WhatsApp became a wholly-owned subsidiary of Facebook. The acquisition will be accounted for as a business combination. The following table summarizes the components of the preliminary purchase consideration transferred based on the closing price of $77.56 per share of our Class A common stock on the acquisition close date (in millions):

Cash	$4,589
Common stock	13,787
Less: post-acquisition share-based compensation and other compensation expense	(1,067)
Less: cash and promissory notes acquired on acquisition date	(116)
Purchase consideration	$17,193

Of the $1.07 billion of share-based compensation and other compensation expense excluded from the purchase consideration above, approximately $188 million will be accounted for as share-based compensation expense at closing as a result of the vesting provisions of WhatsApp employee awards on the acquisition date. The remaining $879 million (approximately 8.5 million shares of Class A common stock and $219 million in cash) is subject to continuous employment and will be recognized as share-based compensation and other compensation expense over the required service period of up to three years.

The following table summarizes the preliminary allocation of the assets acquired and liabilities assumed based on their fair values as of the acquisition date and related estimated useful lives of the finite-lived intangible assets acquired (in millions, except estimated useful life):

		Estimated useful life (in years)
Finite-lived intangible assets:		
Acquired users	$2,026	7 years
Tradename	448	5 years
Acquired technology	288	5 years
Other	21	2 years
Net liabilities assumed	(33)	
Deferred tax liabilities	(916)	
Net assets acquired	$1,834	
Goodwill	15,359	
	$17,193	

The $15.36 billion of goodwill is primarily attributable to expected synergies from future growth, from potential monetization opportunities, from strategic advantages provided in the mobile ecosystem and from expansion of our mobile messaging offerings. Goodwill is not expected to be deductible for tax purposes.

The following unaudited pro forma information presents the combined results of operations as if the acquisition had been completed on January 1, 2013, the beginning of the comparable prior annual reporting period. The unaudited pro forma results include: (i) amortization associated with preliminary estimates for the acquired intangible assets; (ii) recognition of the post-acquisition share-based compensation and other compensation expense; (iii) share-based compensation expense related to the 46 million RSUs we will grant to WhatsApp employees; and (iv) the associated tax impact on these unaudited pro forma adjustments.

The unaudited pro forma results do not reflect any cost saving synergies from operating efficiencies or the effect of the incremental costs incurred in integrating the two companies. Accordingly, these unaudited pro forma results are presented for informational purpose only and are not necessarily indicative of what the actual results of operations of the combined company would have been if the acquisition had occurred at the beginning of the period presented, nor are they indicative of future results of operations (in millions):

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2014	2013	2014	2013
Revenue	$3,210	$2,019	$8,637	$5,292
Net income (loss)	$526	$136	$1,289	$(106)

The unaudited pro forma combined net loss for the nine months ended September 30, 2013 includes a non-recurring pro forma adjustment of $188 million of share-based compensation expense recognized at closing as a result of the vesting provisions of WhatsApp employee awards on the acquisition date.

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations

You should read the following discussion of our financial condition and results of operations in conjunction with the condensed consolidated financial statements and the notes thereto included elsewhere in this Quarterly Report on Form 10-Q and with our audited consolidated financial statements included in our Annual Report on Form 10-K for the year ended December 31, 2013, as filed with the Securities and Exchange Commission. In addition to historical condensed consolidated financial information, the following discussion contains forward-looking statements that reflect our plans, estimates, and beliefs. Our actual results could differ materially from those discussed in the forward-looking statements. Factors that could cause or contribute to these differences include those discussed below and elsewhere in this Quarterly Report on Form 10-Q, particularly in Part II, Item 1A. "Risk Factors." For a discussion of limitations in the measurement of certain of our user metrics, see the section entitled "Limitations of Key Metrics and Other Data" in this Quarterly Report on Form 10-Q.

Overview

Our mission is to give people the power to share and make the world more open and connected.

We build products that support our mission by creating utility for people, marketers, and developers:

People. We enable people to stay connected with their friends and family, to discover what is going on in the world around them, and to share and express what matters to them to the people they care about.

Marketers. We enable marketers to engage with more than 1.3 billion monthly active users (MAUs) on Facebook or subsets of our users based on information they have chosen to share with us such as their age, location, gender, or interests.

Developers. We enable developers to use Facebook's developer services to build, grow and monetize their mobile and web applications more rapidly and successfully.

We generate substantially all of our revenue from advertising and from fees associated with our Payments infrastructure that enables users to purchase virtual and digital goods from developers. During the three and nine months ended September 30, 2014, we recorded revenue of $3.20 billion and $8.62 billion, respectively, income from operations of $1.40 billion and $3.86 billion, respectively, and net income of $806 million and $2.24 billion, respectively.

Trends in Our User Metrics

The numbers for our key metrics, our daily active users (DAUs), mobile DAUs, MAUs, mobile MAUs and average revenue per user (ARPU), and certain other metrics such as mobile-only DAUs and mobile-only MAUs, do not include Instagram users unless they would otherwise qualify as such users, respectively, based on their other activities on Facebook. In addition, other user engagement metrics do not include Instagram unless otherwise specifically stated.

Trends in the number of users affect our revenue and financial results by influencing the number of ads we are able to show, the value of our ads to marketers, the volume of Payments transactions, as well as our expenses and capital expenditures.

- Daily Active Users (DAUs). We define a daily active user as a registered Facebook user who logged in and visited Facebook through our website or a mobile device, used our Messenger app, or took an action to share content or activity with his or her Facebook friends or connections via a third-party website or application that is integrated with Facebook, on a given day. We view DAUs, and DAUs as a percentage of MAUs, as measures of user engagement.

Note: For purposes of reporting DAUs, MAUs, and ARPU by geographic region, Europe includes all users in Russia and Turkey, Asia includes all users in Australia and New Zealand, and Rest of World includes all users in Africa, Latin America, and the Middle East.

Worldwide DAUs increased 19% to 864 million on average during September 2014 from 728 million during September 2013. We experienced growth in DAUs across major markets including India, Brazil, and the United States. Overall growth in DAUs was driven by increased mobile usage of Facebook, and the number of DAUs accessing Facebook on personal computers decreased in September 2014 compared to the same period in 2013. We believe that use of Facebook through personal computers will continue to decline worldwide, including in key markets such as the United States and other developed markets in Europe and Asia.

- Mobile DAUs. We define a mobile DAU as a user who accessed Facebook via a mobile application or via mobile versions of our website such as m.facebook.com, whether on a mobile phone or tablet, or used our Messenger app on a given day.

Worldwide mobile DAUs increased 39% to 703 million on average during September 2014 from 507 million during September 2013. In all regions, an increasing number of our DAUs are accessing Facebook through mobile devices, with users in Brazil, India, and the United States representing key sources of mobile DAU growth on average during September 2014 as compared to the same period during 2013. On average during the month ended September 30, 2014, there were 536 million DAUs who accessed Facebook solely through mobile applications or our mobile website, increasing 54% from 347 million mobile-only DAUs during the same period in 2013. The remaining mobile DAUs accessed Facebook from both personal computers and mobile devices. We anticipate that growth in mobile users will continue to be the driver of our user growth for the foreseeable future.

- Monthly Active Users (MAUs). We define a monthly active user as a registered Facebook user who logged in and visited Facebook through our website or a mobile device, used our Messenger app, or took an action to share content or activity with his or her Facebook friends or connections via a third-party website or application that is integrated with Facebook, in the last 30 days as of the date of measurement. MAUs are a measure of the size of our global active user community.