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Quarterly Earnings Slides

Q2 2012

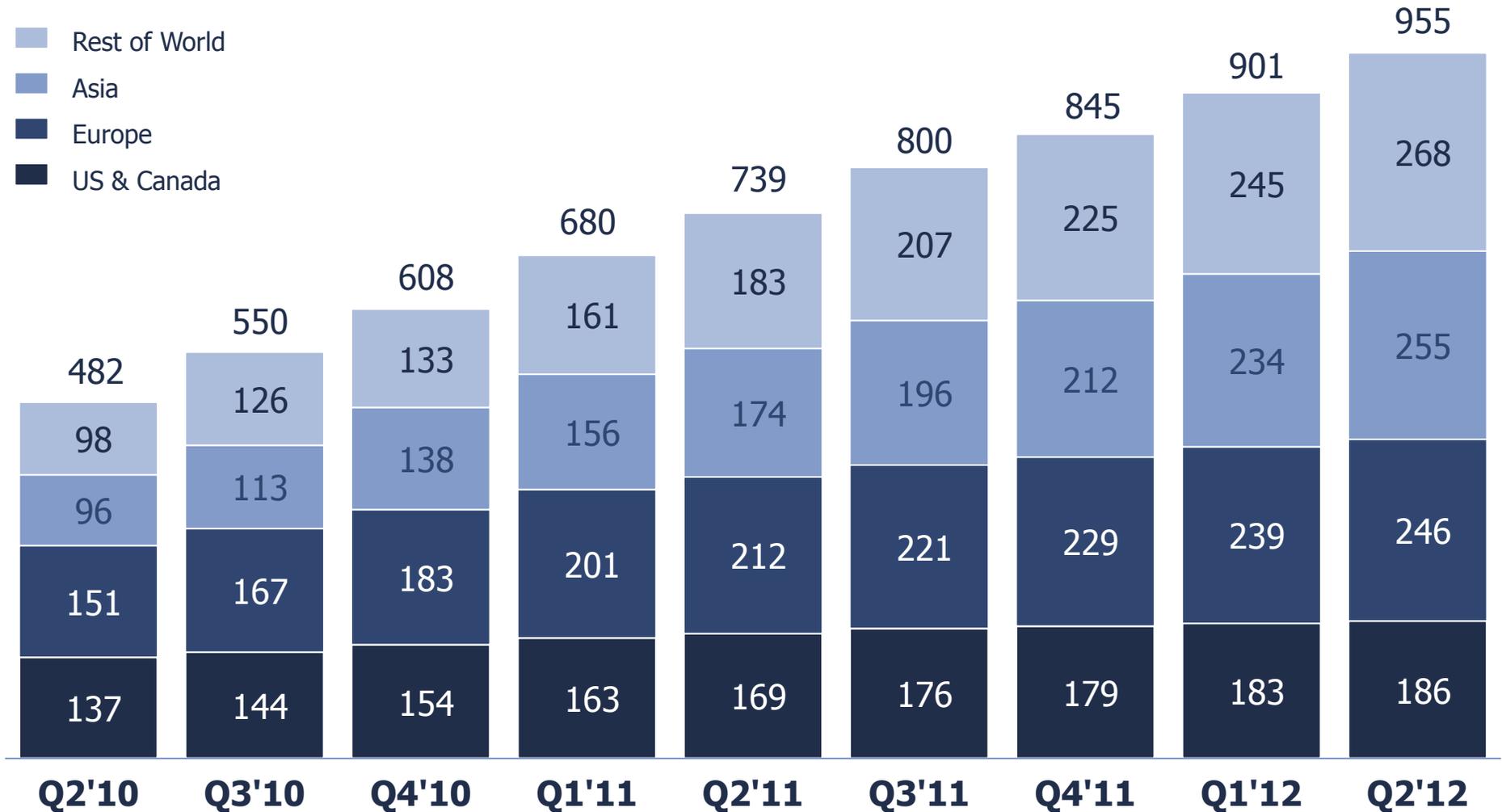
Safe Harbor

This presentation contains forward-looking statements, which are subject to the safe harbor provisions of the Private Securities Litigation Reform Act of 1995. All statements other than statements of historical facts contained in this presentation, including statements regarding our estimates of future stock based compensation expense, are forward-looking statements. These forward-looking statements are only predictions and may differ materially from actual results due to a variety of factors, including variations in the future price of our common stock as well as future grants and forfeitures of equity awards. In addition, please note that the date of this presentation is July 26, 2012, and any forward-looking statements contained herein are based on assumptions that we believe to be reasonable as of this date. We undertake no obligation to update these statements as a result of new information or future events.

In addition to U.S. GAAP financials, this presentation includes certain non-GAAP financial measures. These non-GAAP measures are in addition to, not a substitute for or superior to, measures of financial performance prepared in accordance with U.S. GAAP. A reconciliation of non-GAAP financial measures to the corresponding GAAP measures is provided in the appendix to this presentation. Please also see the appendix to this presentation for information concerning limitations of our key user metrics.

Monthly Active Users (MAUs)

Millions of MAUs



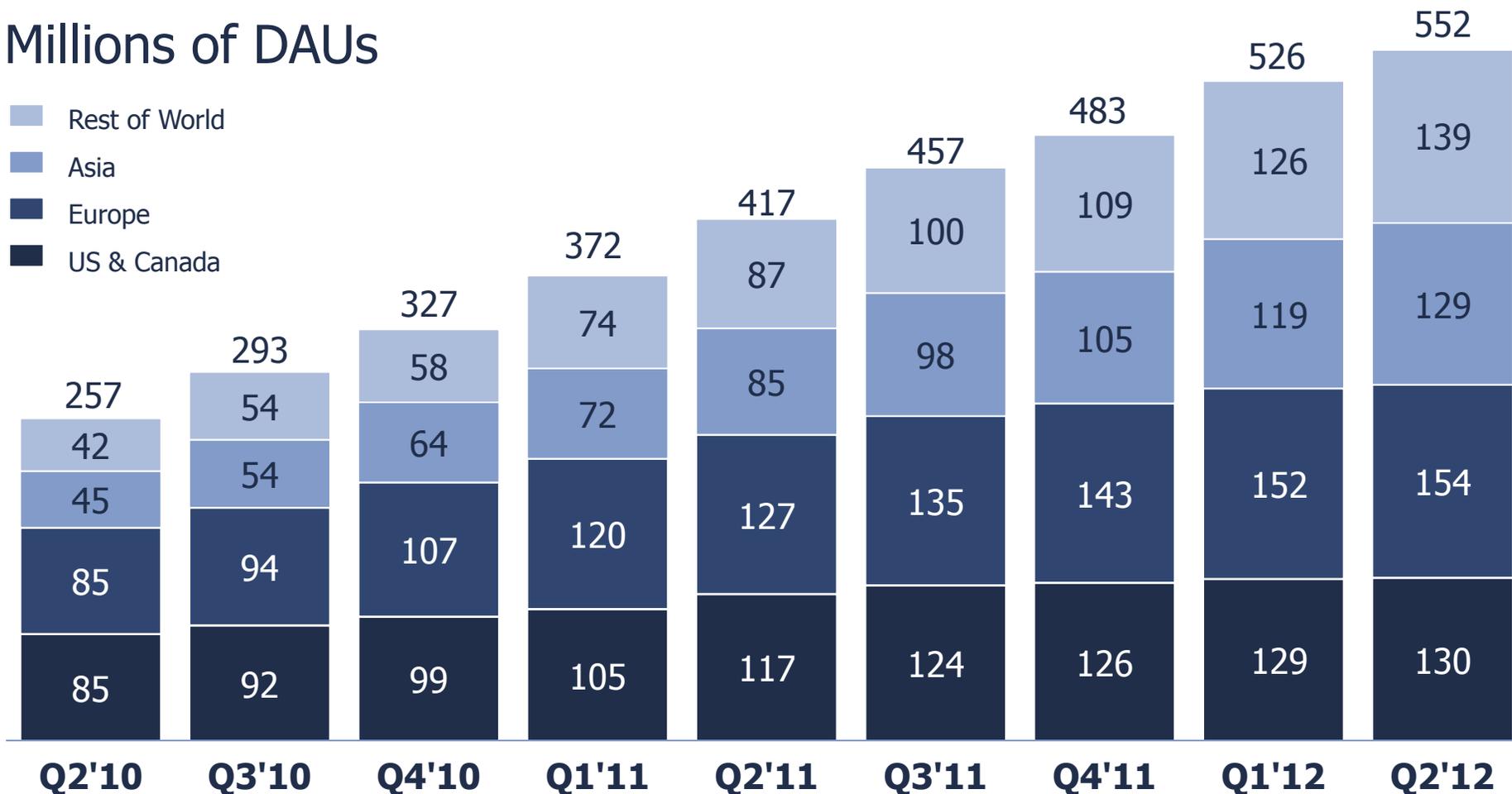
Please see Facebook's final prospectus filed with the SEC on May 18, 2012 for definitions of user activity used to determine the number of our MAUs, DAUs and mobile MAUs. In June 2012, we discovered an error in the algorithm we used to estimate the geographic location of our users that affected our attribution of certain user locations for the first quarter of 2012. The first quarter of 2012 user metrics above reflect a reclassification to more correctly attribute users by geographic region.

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Daily Active Users (DAUs)

Millions of DAUs

- Rest of World
- Asia
- Europe
- US & Canada



DAUs / MAUs

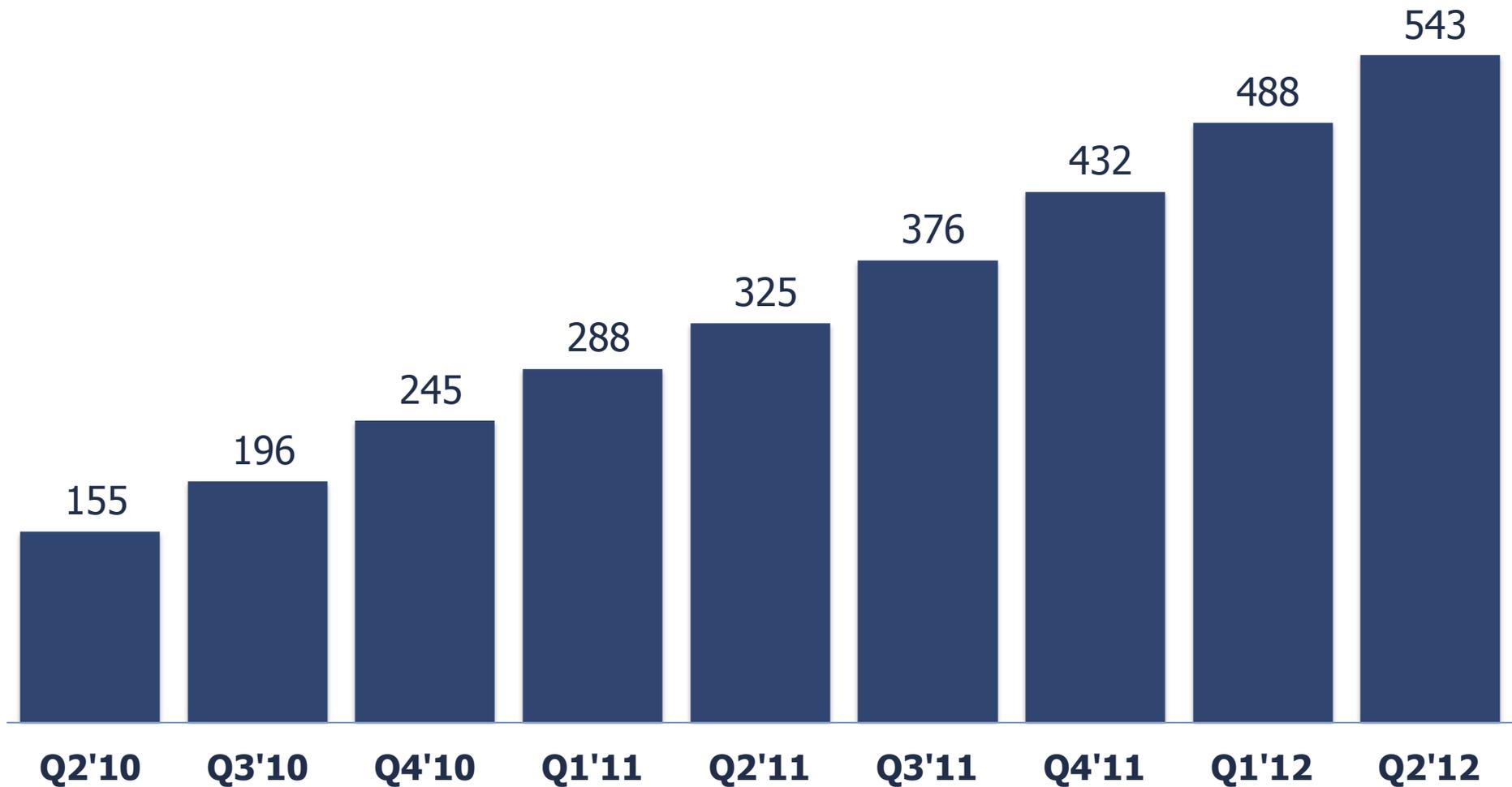
Q2'10	Q3'10	Q4'10	Q1'11	Q2'11	Q3'11	Q4'11	Q1'12	Q2'12
53%	53%	54%	55%	56%	57%	57%	58%	58%

Please see Facebook's final prospectus filed with the SEC on May 18, 2012 for definitions of user activity used to determine the number of our MAUs, DAUs and mobile MAUs. For non-worldwide DAU user numbers presented for the periods marked March 31, 2012 and June 30, 2012, the figures represent an average of the first 25 days of the period and the last 27 days of the period, respectively, due to the algorithm error described in the MAU note on slide 3. These average numbers do not meaningfully differ from the average numbers when calculated over a full month.

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Mobile Monthly Active Users (Mobile MAUs)

Millions of Mobile MAUs



Please see Facebook's final prospectus filed with the SEC on May 18, 2012 for definitions of user activity used to determine the number of our MAUs, DAUs and mobile MAUs.

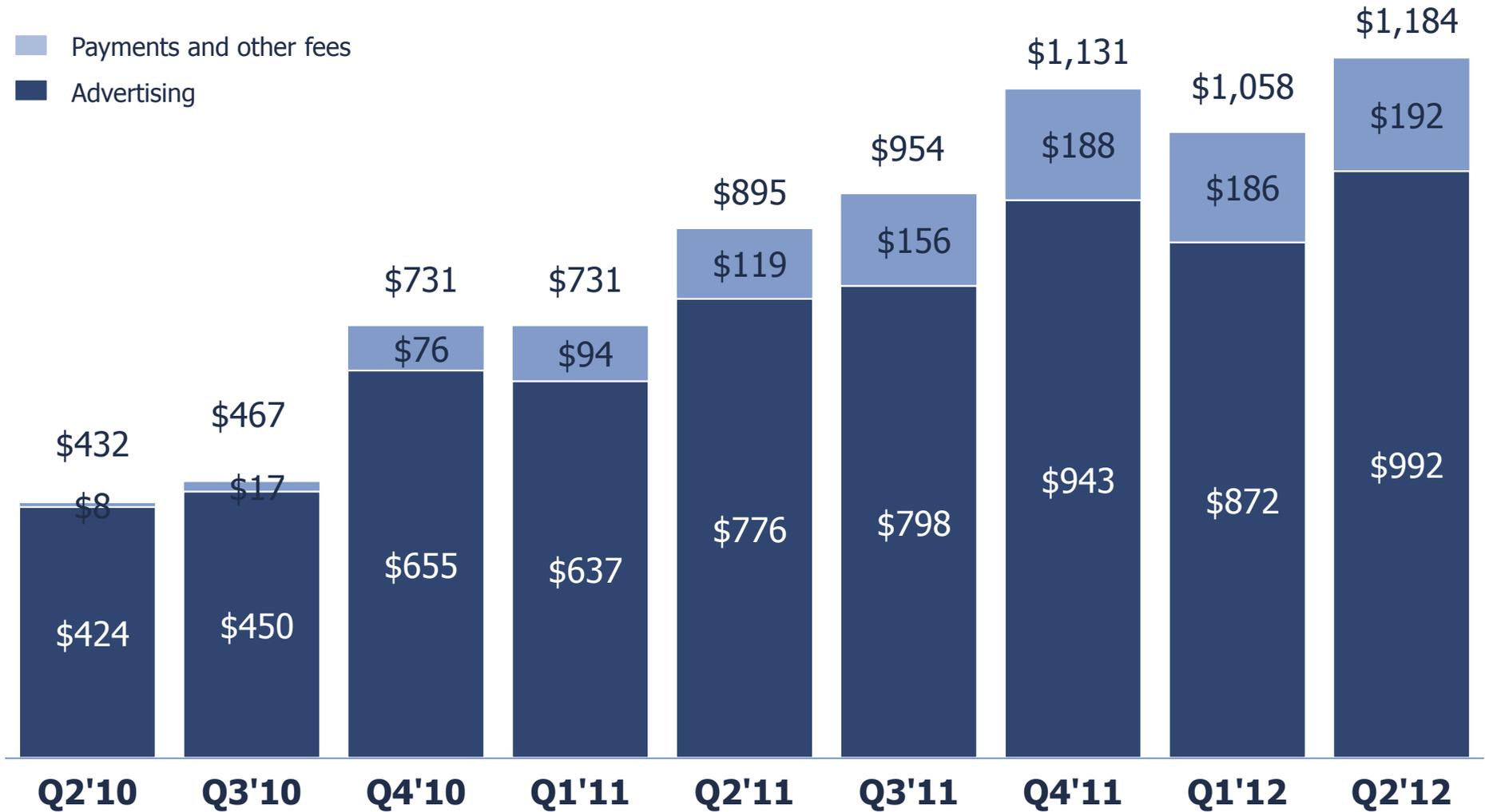
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Revenue

Millions of Dollars

Payments and other fees

Advertising

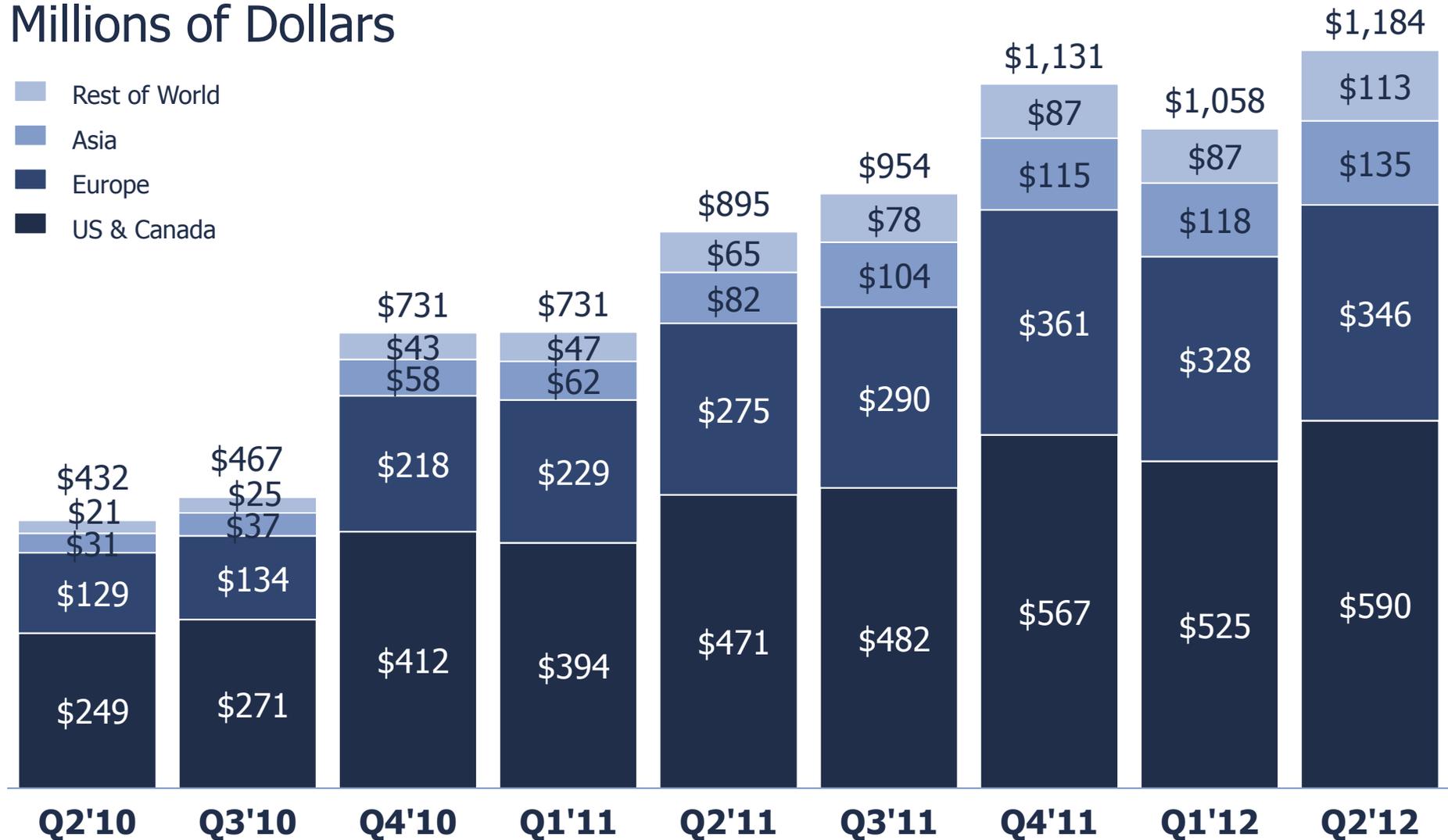


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Revenue by User Geography

Millions of Dollars

- Rest of World
- Asia
- Europe
- US & Canada



Revenue by user geography is geographically apportioned based on our estimation of the geographic location of our users when they perform a revenue-generating activity. This allocation differs from our revenue by geography disclosure in our consolidated financial statements where revenue is geographically apportioned based on the location of the advertiser or developer.

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Average Revenue per User (ARPU)

US & Canada



Europe



Asia



Rest of World



Worldwide

Q2'10	Q3'10	Q4'10	Q1'11	Q2'11	Q3'11	Q4'11	Q1'12	Q2'12
\$0.94	\$0.90	\$1.26	\$1.14	\$1.26	\$1.24	\$1.38	\$1.21	\$1.28

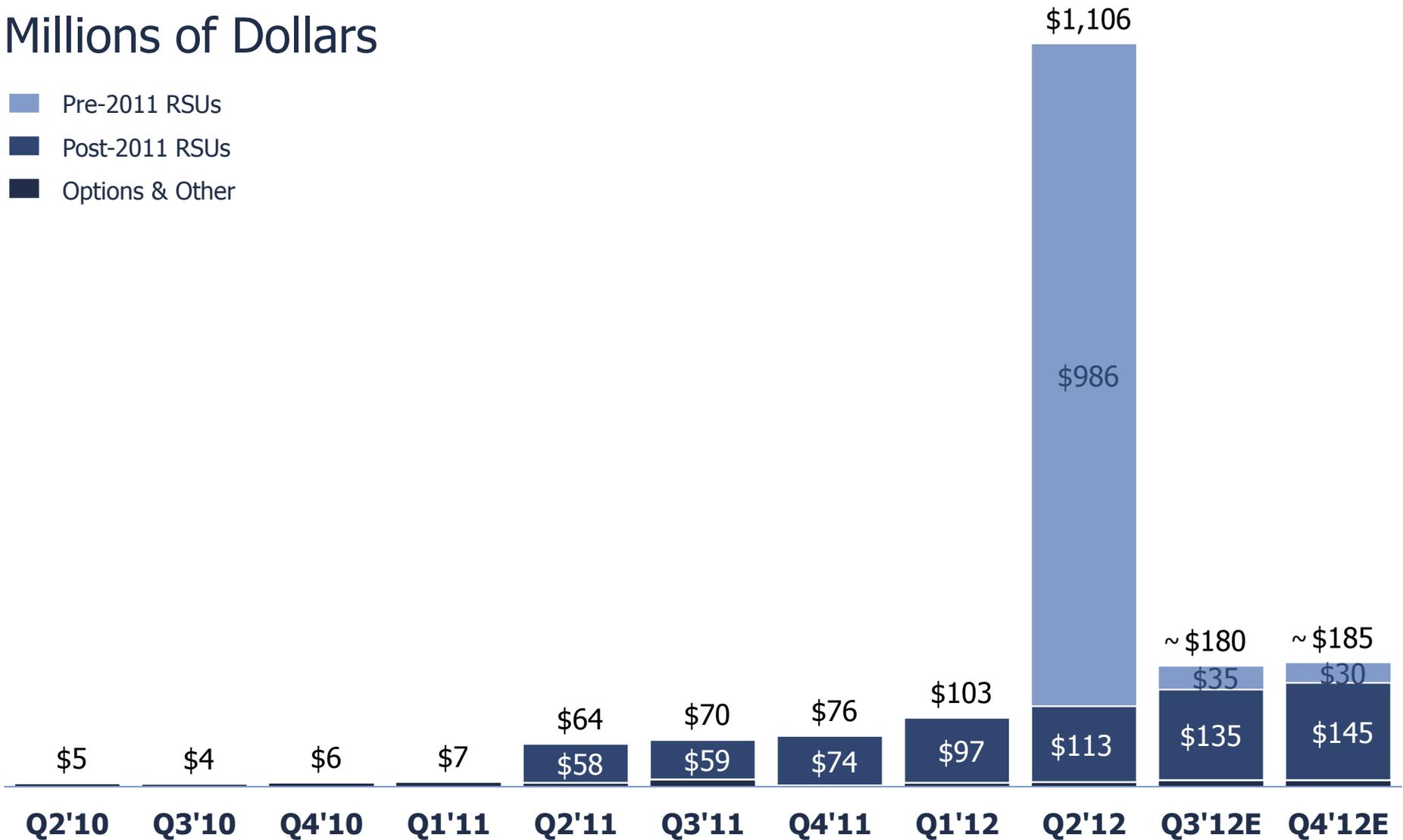
Revenue by user geography is geographically apportioned based on our estimation of the geographic location of our users when they perform a revenue-generating activity. This allocation differs from our revenue by geography disclosure in our consolidated financial statements where revenue is geographically apportioned based on the location of the advertiser or developer. The ARPU amount for US & Canada region in Q1 2012 reflects an adjustment based on the reclassification of certain users between geographical regions to more correctly attribute users by geographic region.

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Share-Based Compensation Expense

Millions of Dollars

- Pre-2011 RSUs
- Post-2011 RSUs
- Options & Other



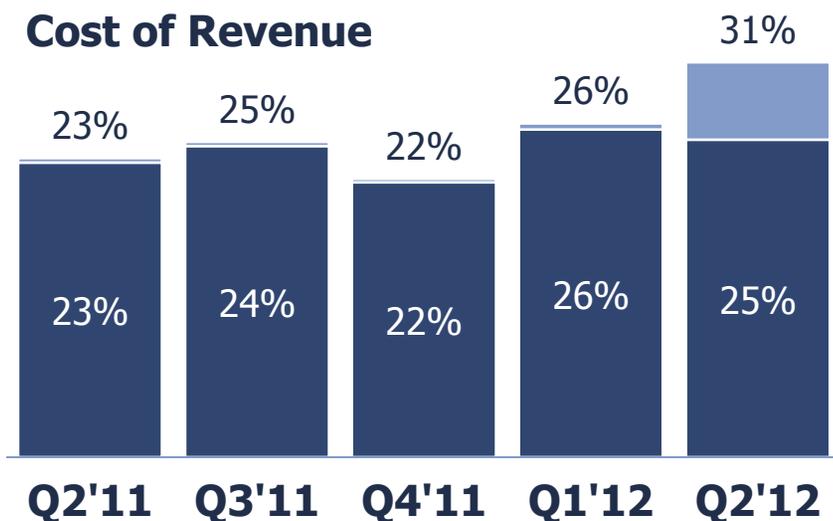
Q3 and Q4 2012 expenses are estimates and exclude any potential impact of future acquisitions.

Expenses as a % of Revenue

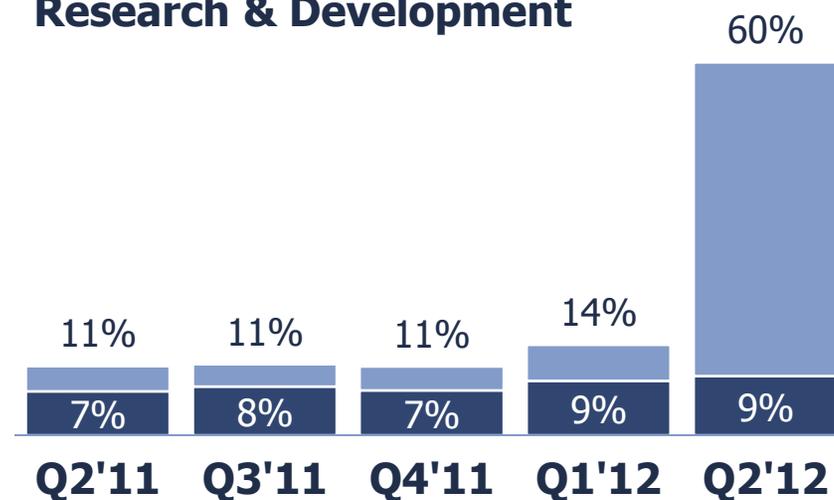
■ Share-based compensation + Payroll tax related to share-based compensation

■ All other expenses

Cost of Revenue



Research & Development



Marketing & Sales



General & Administrative

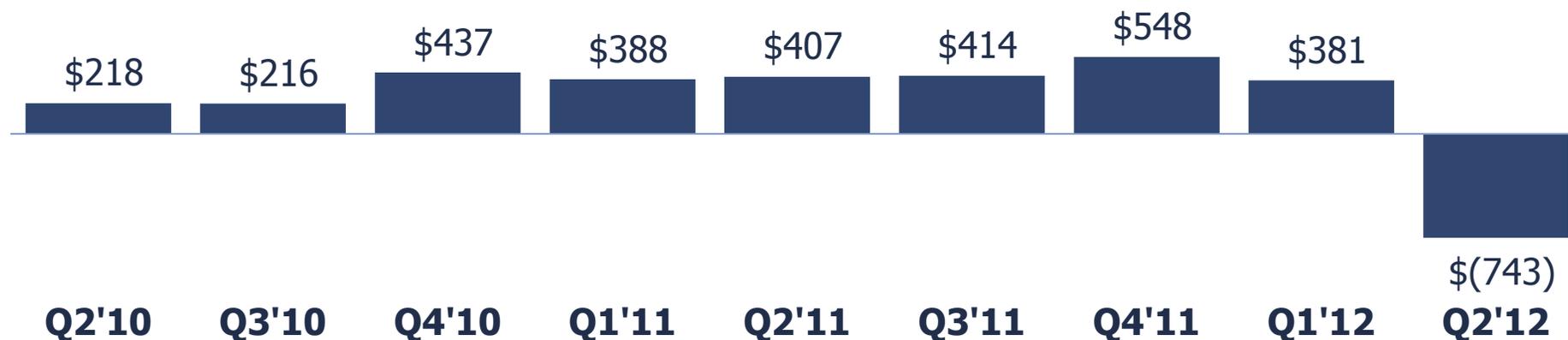


We have reclassified certain prior period amounts in marketing and sales to general and administrative expense to conform to our current period presentation. These reclassifications did not affect revenue, total costs and expenses, income (loss) from operations, or net (loss) income.

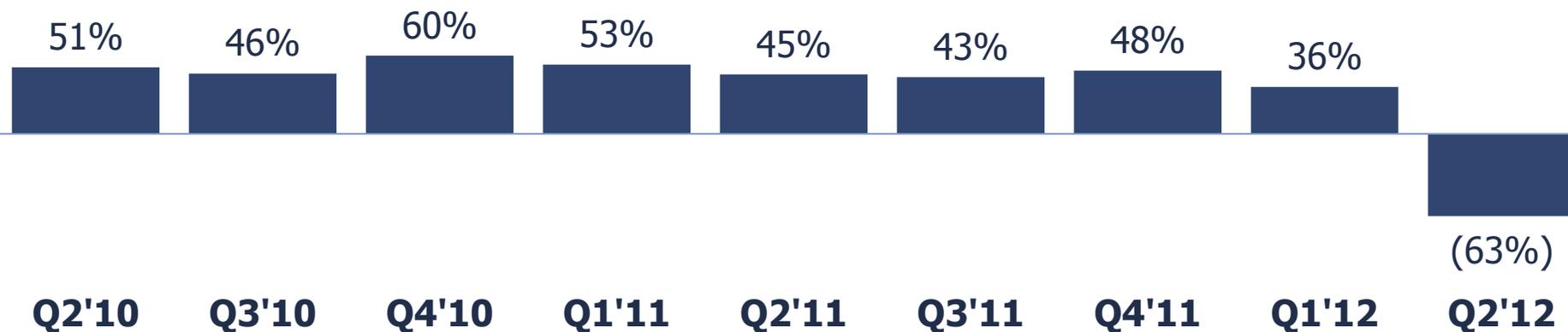
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GAAP Income (loss) from Operations & Margin

Income (loss) from Operations (\$M)

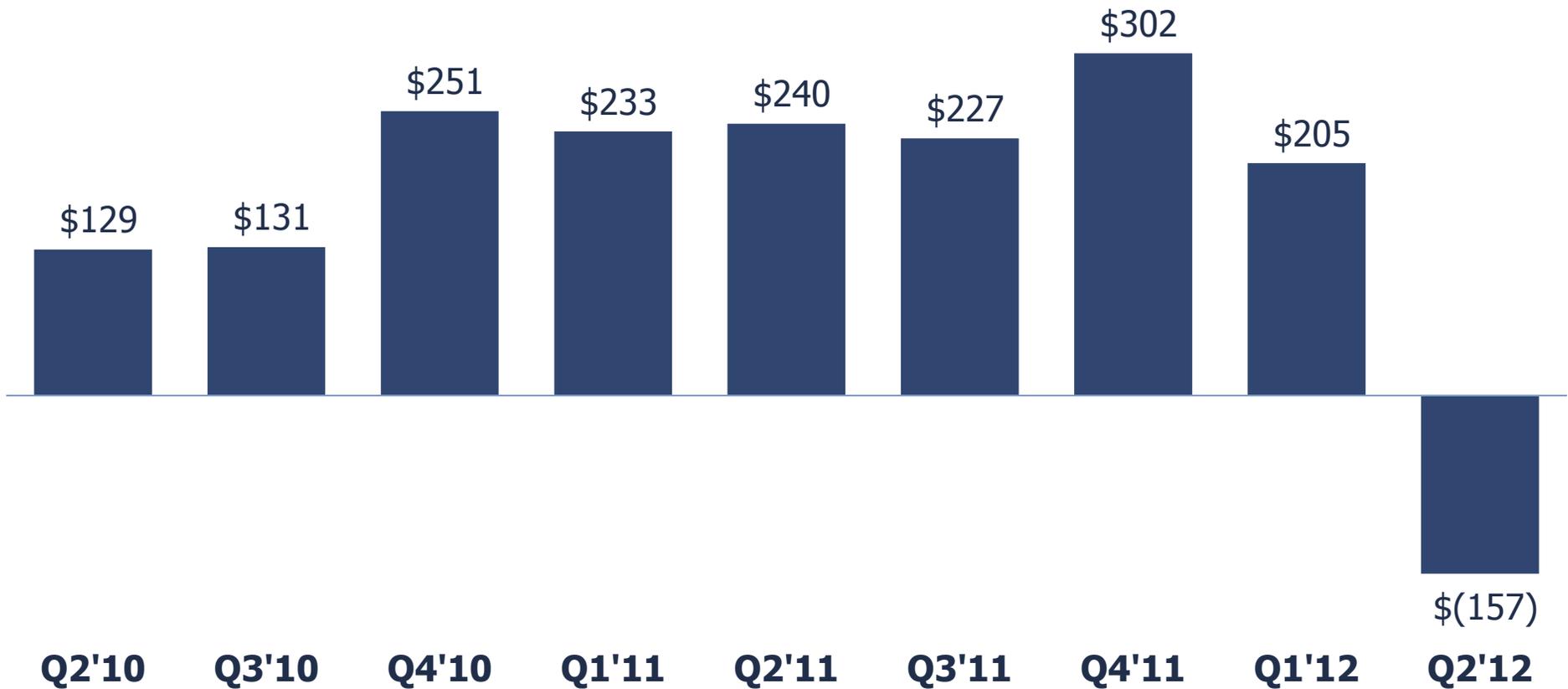


% of Revenue



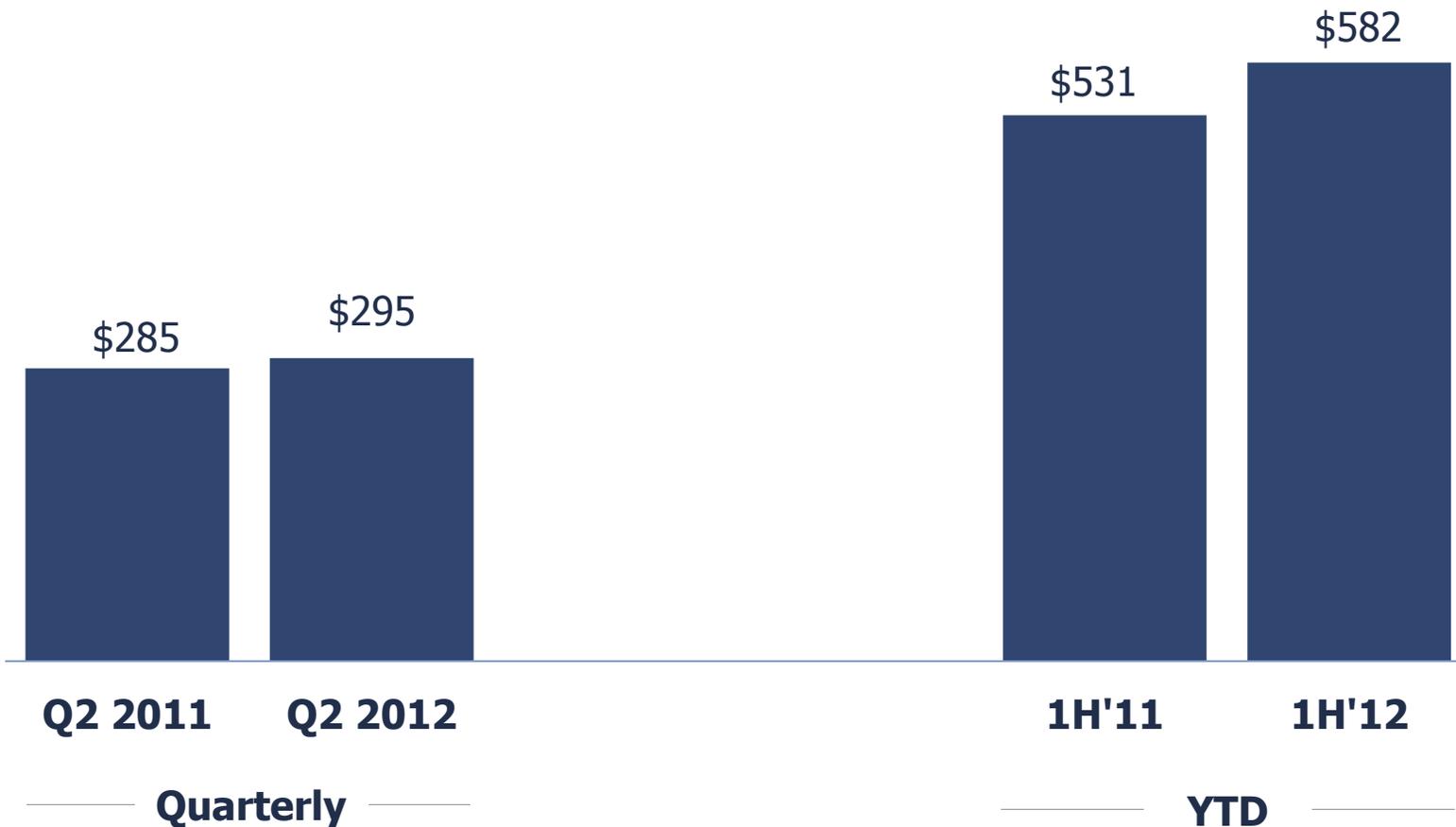
GAAP Net Income (loss)

Millions of Dollars



Non-GAAP Net Income

Millions of Dollars



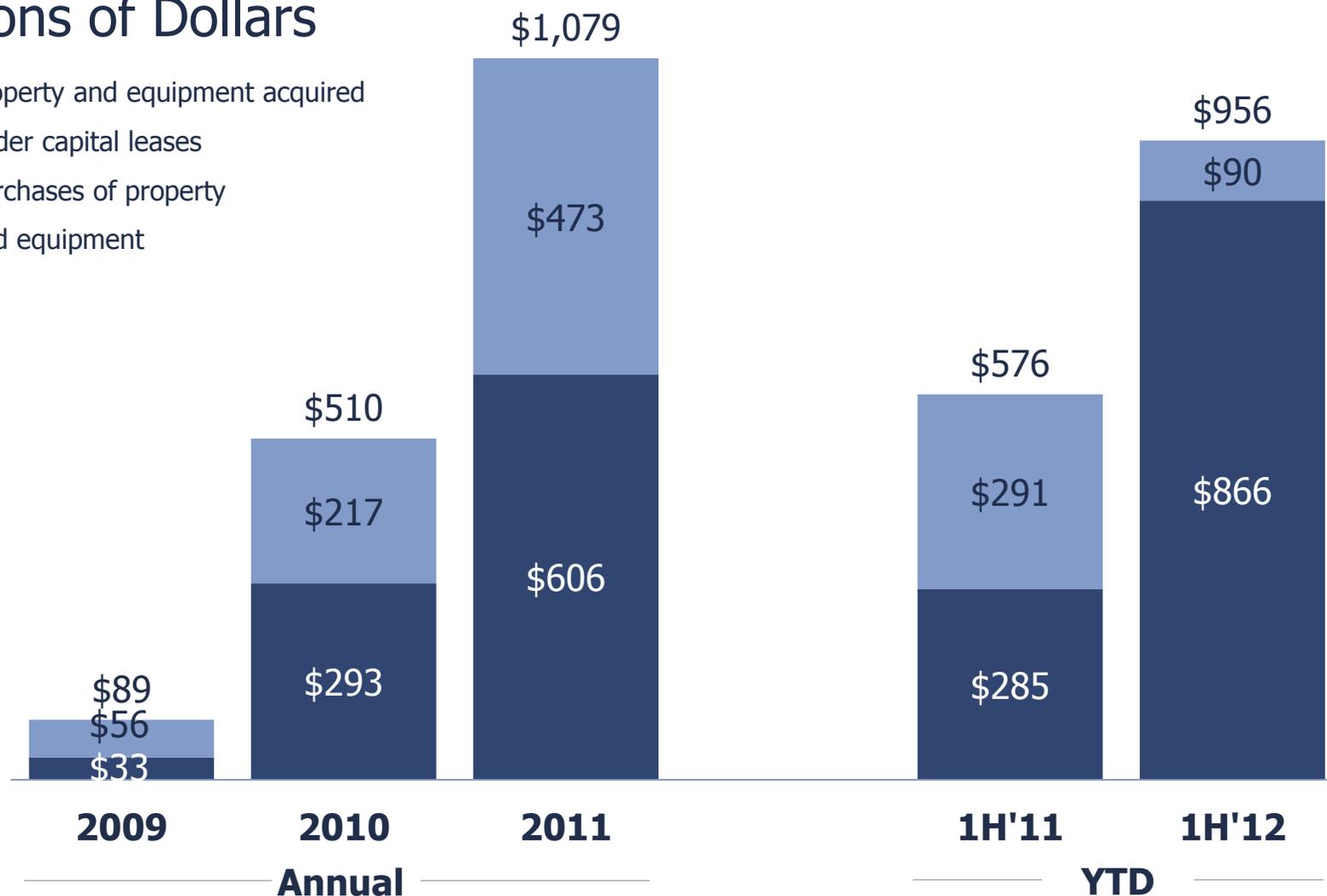
Non-GAAP net income excludes share based compensation expense, related payroll tax expense and other income tax adjustments—see the Appendix for a reconciliation of this non-GAAP measure to GAAP net income.

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Capital Investments

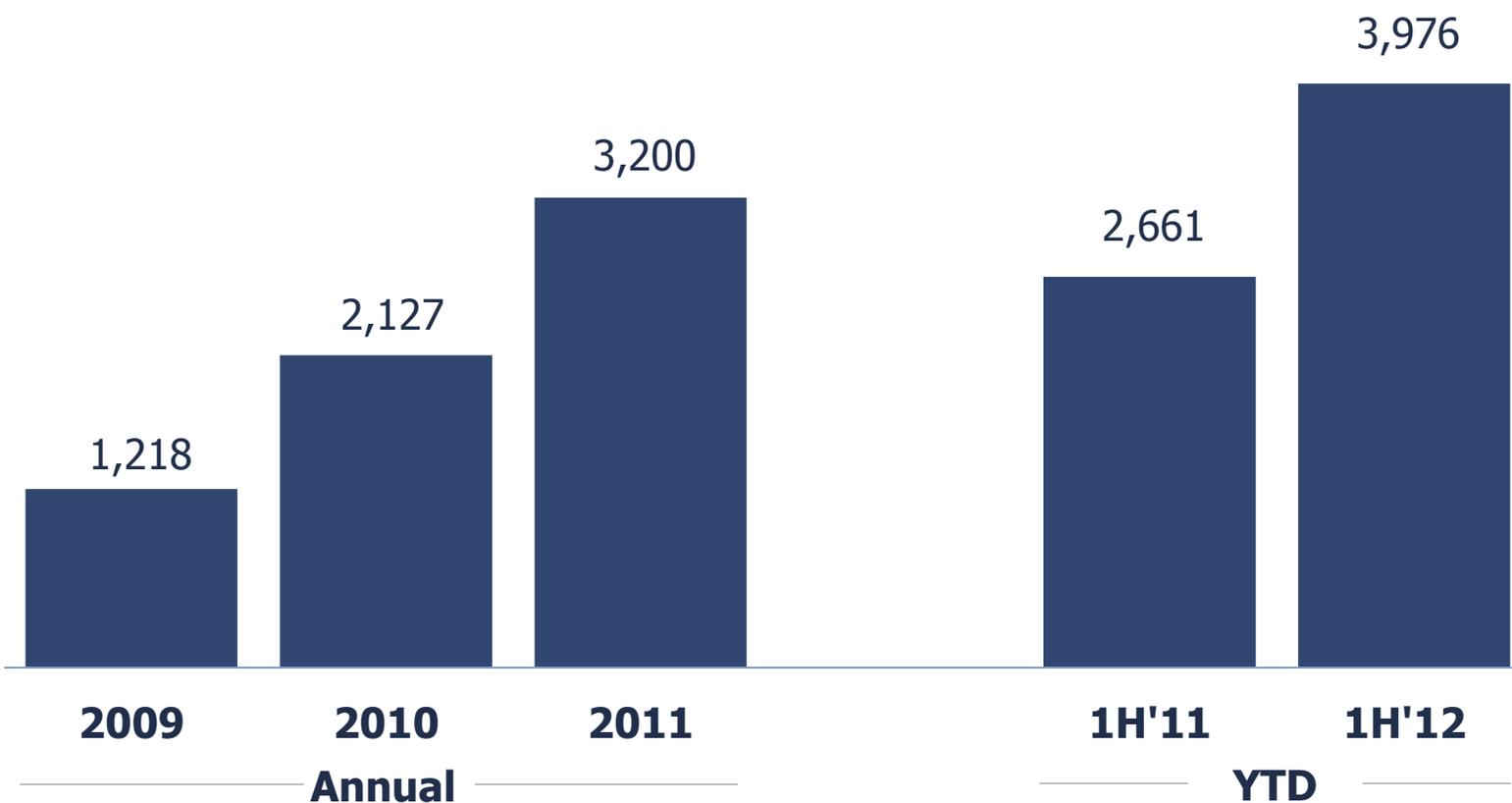
Millions of Dollars

- Property and equipment acquired under capital leases
- Purchases of property and equipment



Employees

Period-end Headcount



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Appendix

Reconciliations

	Three Months Ended June 30,		Six Months Ended June 30,	
	2011	2012	2011	2012
GAAP net income (loss)	\$ 240	\$ (157)	\$ 471	\$ 48
Share-based compensation expense	64	1,106	71	1,209
Payroll tax expenses related to share-based compensation	6	152	7	153
Income tax adjustments	(25)	(806)	(18)	(828)
Non-GAAP net income	\$ 285	\$ 295	\$ 531	\$ 582

Limitations of Key Metrics

The numbers of our MAUs and DAUs and average revenue per user (ARPU) are calculated using internal company data. 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, despite our efforts to detect and suppress such behavior. We estimate that “duplicate” accounts (an account that a user maintains in addition to his or her principal account) may have represented approximately 4.8% of our worldwide MAUs as of June 30, 2012. 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. As of June 30, 2012, we estimate user-misclassified accounts may have represented approximately 2.4% of our worldwide MAUs and undesirable accounts may have represented approximately 1.5% 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 Australia and higher in developing markets such as Indonesia 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 be affected by improvements or changes in our methodology.

Limitations of Key Metrics (continued)

Our metrics are also 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 and 2010 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 use 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 MAU number, it did affect our attribution of users to different geographic regions. We estimate that the number of MAUs as of March 31, 2012 for the United States and Canada region was overstated as a result of the error by approximately 3% and these overstatements were offset by understatements in other regions. In addition, our estimates for revenue by user location are also affected by these factors. We regularly review and may adjust our processes for calculating these metrics to improve their accuracy. In addition, our MAU and DAU estimates will differ from estimates published by third parties due to differences in methodology. For example, some third parties do not count mobile users.

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