



TWITTER

Q4 2016 EARNINGS REPORT

NON-GAAP FINANCIAL MEASURES

In addition to U.S. GAAP financials, this presentation includes certain non-GAAP financial measures. These non-GAAP financial measures are in addition to, not a substitute for or superior to, measures of financial performance prepared in accordance with U.S. GAAP. As required by Regulation G, we have provided a reconciliation of those measures to the most directly comparable GAAP measures in the Appendix.



A NOTE ABOUT METRICS

We define monthly active users (MAUs) as Twitter users who logged in or were otherwise authenticated and accessed Twitter through our website, mobile website, desktop or mobile applications, SMS or registered third-party applications or websites in the 30-day period ending on the date of measurement. Average MAUs for a period represent the average of the MAUs at the end of each month during the period. We define daily active users (DAUs) as Twitter users who logged in or were otherwise authenticated and accessed Twitter through our website, mobile website or mobile applications on any given day. Average DAUs for a period represent the average of the DAUs at the end of such period. Prior to Q3 2016, Twitter has discussed DAUs and the ratio of MAUs to DAUs. In those instances, for comparability and consistency with MAUs, DAUs also included users who accessed Twitter through our desktop applications and third-party properties.

The numbers of active users presented in our earnings materials are based on internal company data. While these numbers are based on what we believe to be reasonable estimates for the applicable period of measurement, there are inherent challenges in measuring usage and user engagement across our large user base around the world. For example, there are a number of false or spam accounts in existence on our platform. We have performed an internal review of a sample of accounts and estimated that false or spam accounts represented less than 5% of our MAUs as of December 31, 2016. In making this determination, we applied significant judgment, so our estimation of false or spam accounts may not accurately represent the actual number of such accounts, and the actual number of false or spam accounts could be higher than we have estimated. We are continually seeking to improve our ability to estimate the total number of spam accounts and eliminate them from the calculation of our active users. Spam accounts that we have identified are not included in the active user numbers presented in our earnings materials. We treat multiple accounts held by a single person or organization as multiple users for purposes of calculating our active users because we permit people and organizations to have more than one account. Additionally, some accounts used by organizations are used by many people within the organization. As such, the calculations of our active users may not accurately reflect the actual number of people or organizations using our platform.

Our metrics are also affected by applications that automatically contact our servers for regular updates with no action involved, and this activity can cause our system to count the users associated with such applications as active users on the day or days such contact occurs. As of December 31, 2016, less than 8.5% of users used third party applications that may have automatically contacted our servers for regular updates without any discernible additional user-initiated action. As such, the calculations of MAUs presented in our earnings materials may be affected as a result of automated activity.

In addition, our data regarding user geographic location for purposes of reporting the geographic location of our MAUs is based on the IP address or phone number associated with the account when a user initially registered the account on Twitter. The IP address or phone number may not always accurately reflect a user's actual location at the time such user engaged with our platform.

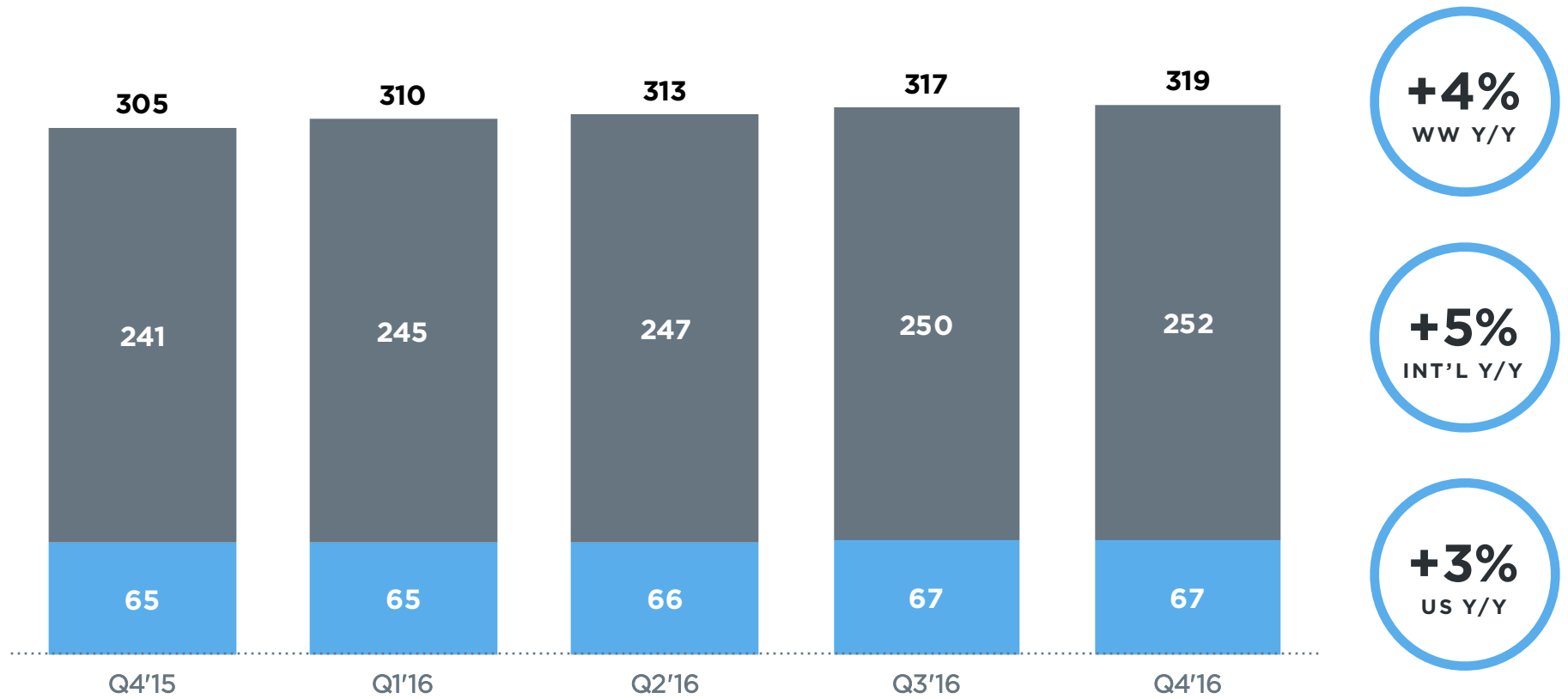
We present and discuss the size of our audience and logged-out usage based on both internal metrics and data from Google Analytics, which measures unique visitors to our properties. We regularly review and may adjust our processes for calculating our internal metrics to improve their accuracy. Our measures of user growth and user engagement may differ from estimates published by third parties or from similarly-titled metrics of our competitors due to differences in methodology.



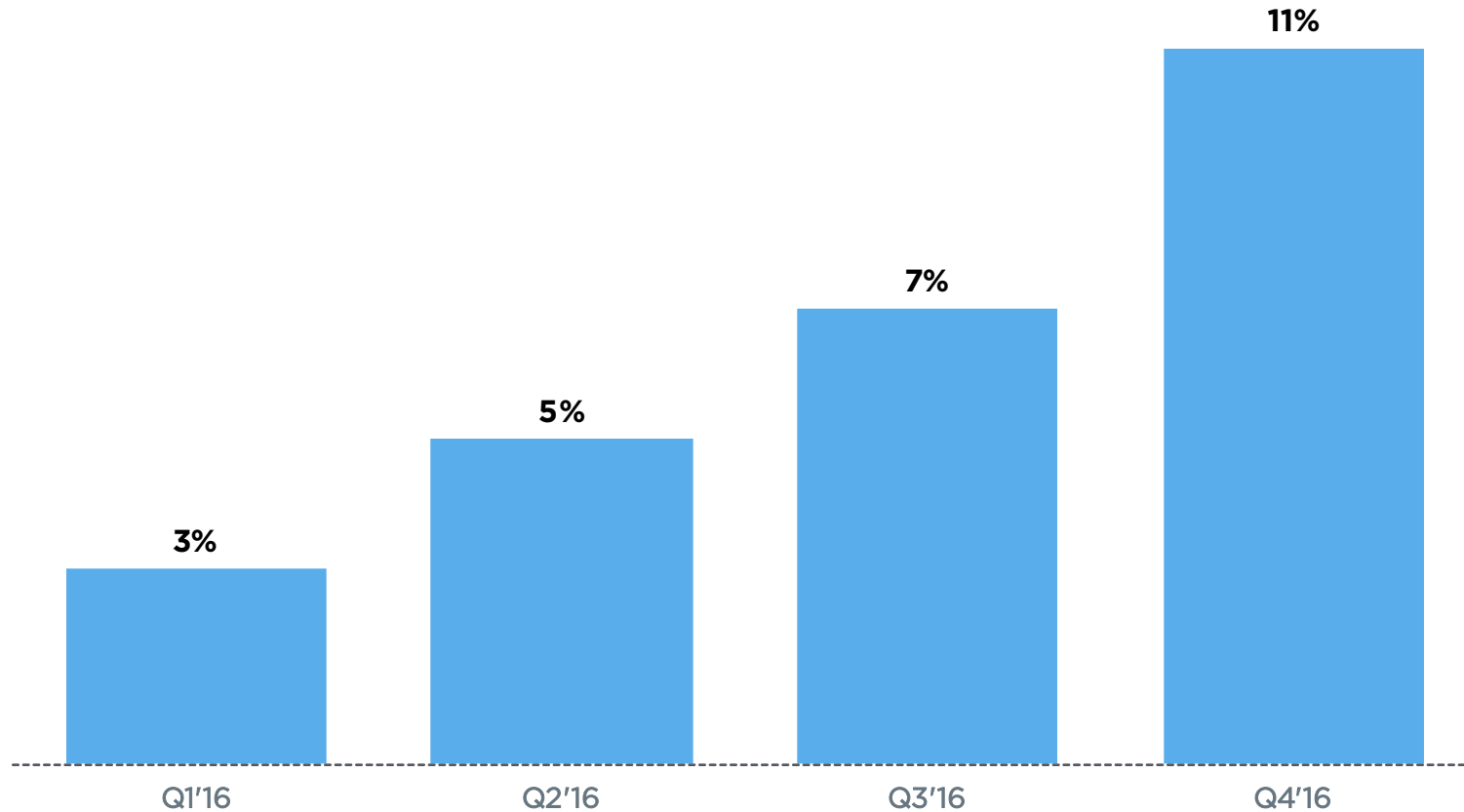
MONTHLY ACTIVE USERS

(quarterly average, millions)

INTERNATIONAL
UNITED STATES



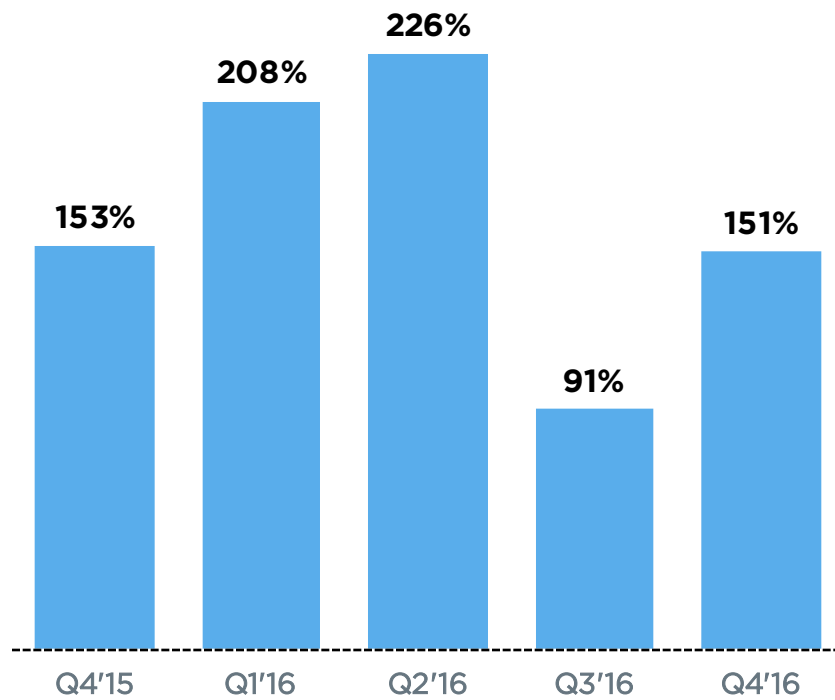
DAILY ACTIVE USERS Y/Y GROWTH RATES



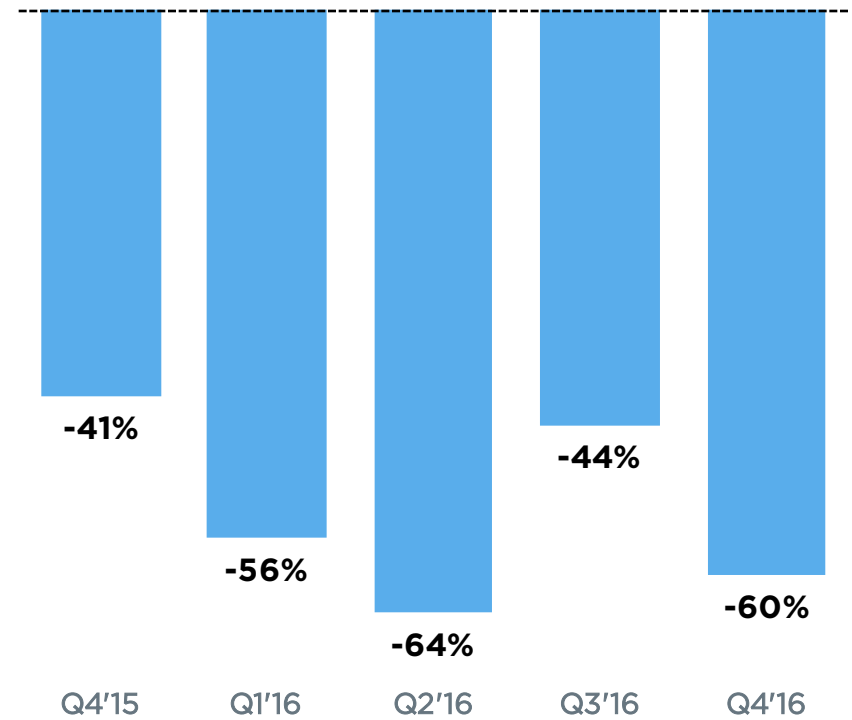
Note: Daily active users (DAUs) are Twitter users who logged in or were otherwise authenticated and accessed Twitter through our website, mobile website or mobile applications on any given day. Average DAUs for a period represent the average of the DAUs at the end of such period. Prior to Q3 2016, Twitter has discussed DAUs and the ratio of monthly active users (MAUs) to DAUs. In those instances, for comparability and consistency with MAUs, DAUs also included users who accessed Twitter through our desktop applications and third-party properties.

MONETIZATION METRICS

Y/Y % CHANGE IN AD ENGAGEMENTS



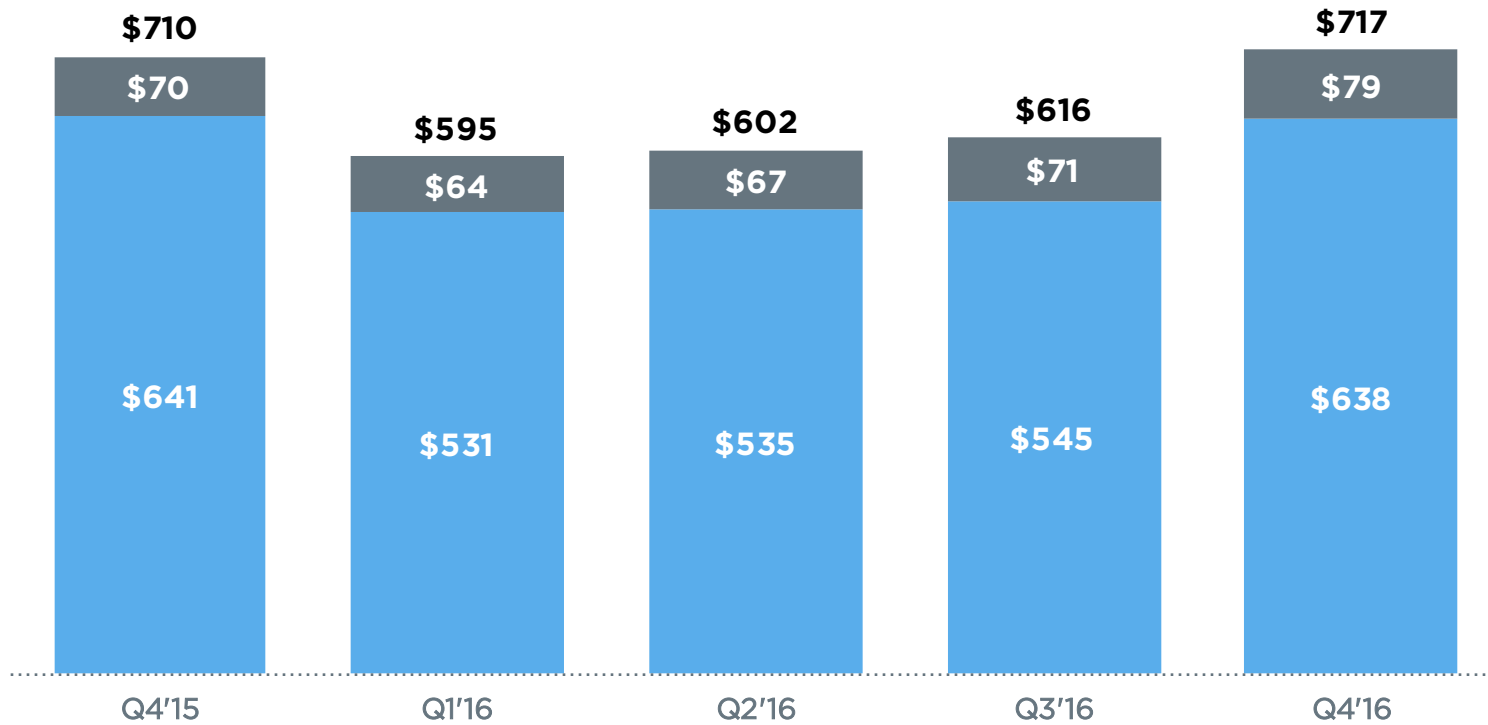
Y/Y % CHANGE IN COST PER AD ENGAGEMENT



QUARTERLY REVENUE

(\$, millions)

■ DATA LICENSING + OTHER
■ ADVERTISING



+1%
TOTAL Y/Y

+14%
DL&O Y/Y

+0%
ADV Y/Y

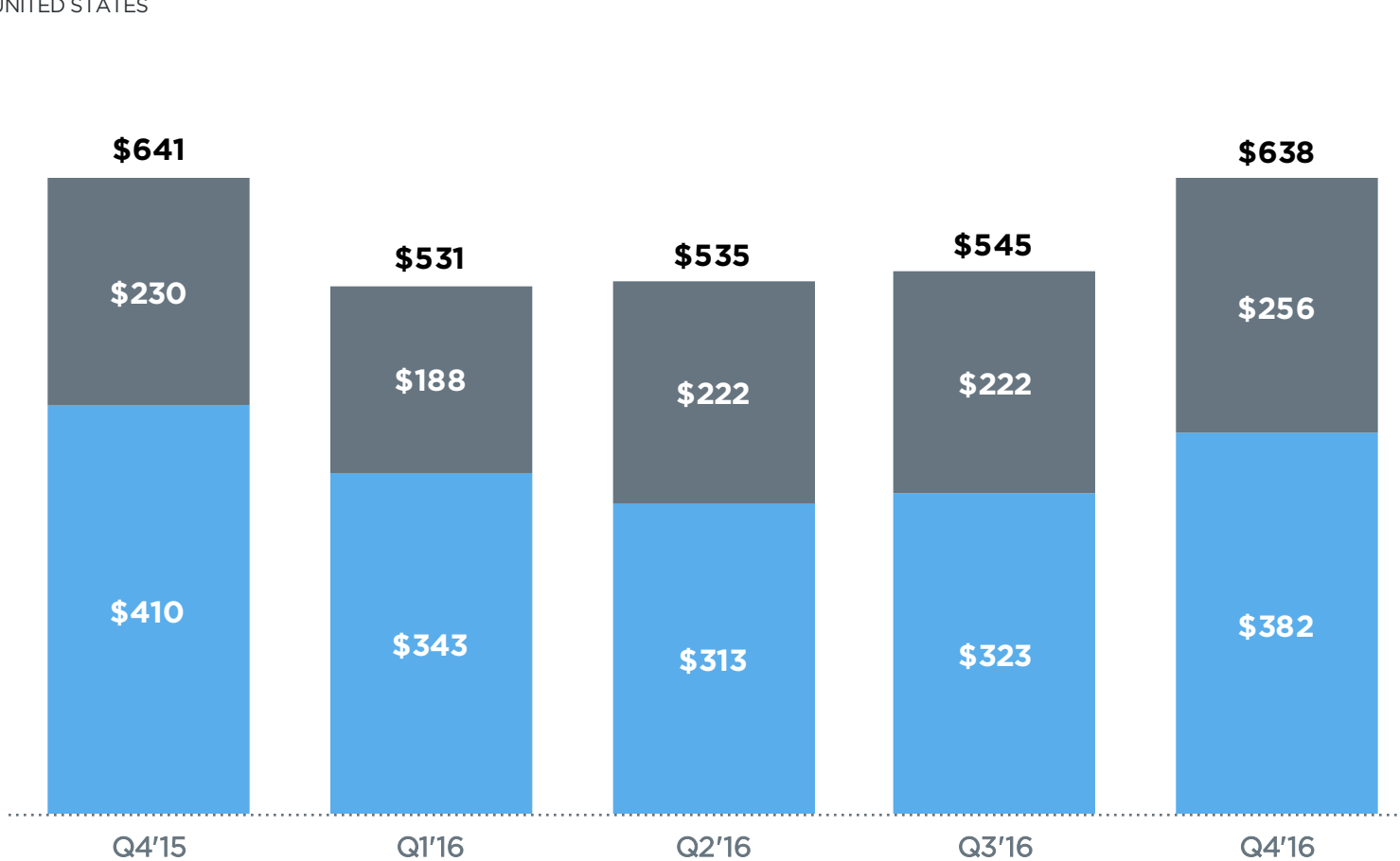
% INTERNATIONAL	Q4'15	Q1'16	Q2'16	Q3'16	Q4'16
	35%	34%	40%	39%	39%



QUARTERLY ADVERTISING REVENUE BY GEOGRAPHY

(\$, millions)

INTERNATIONAL
UNITED STATES



+0%
WW Y/Y

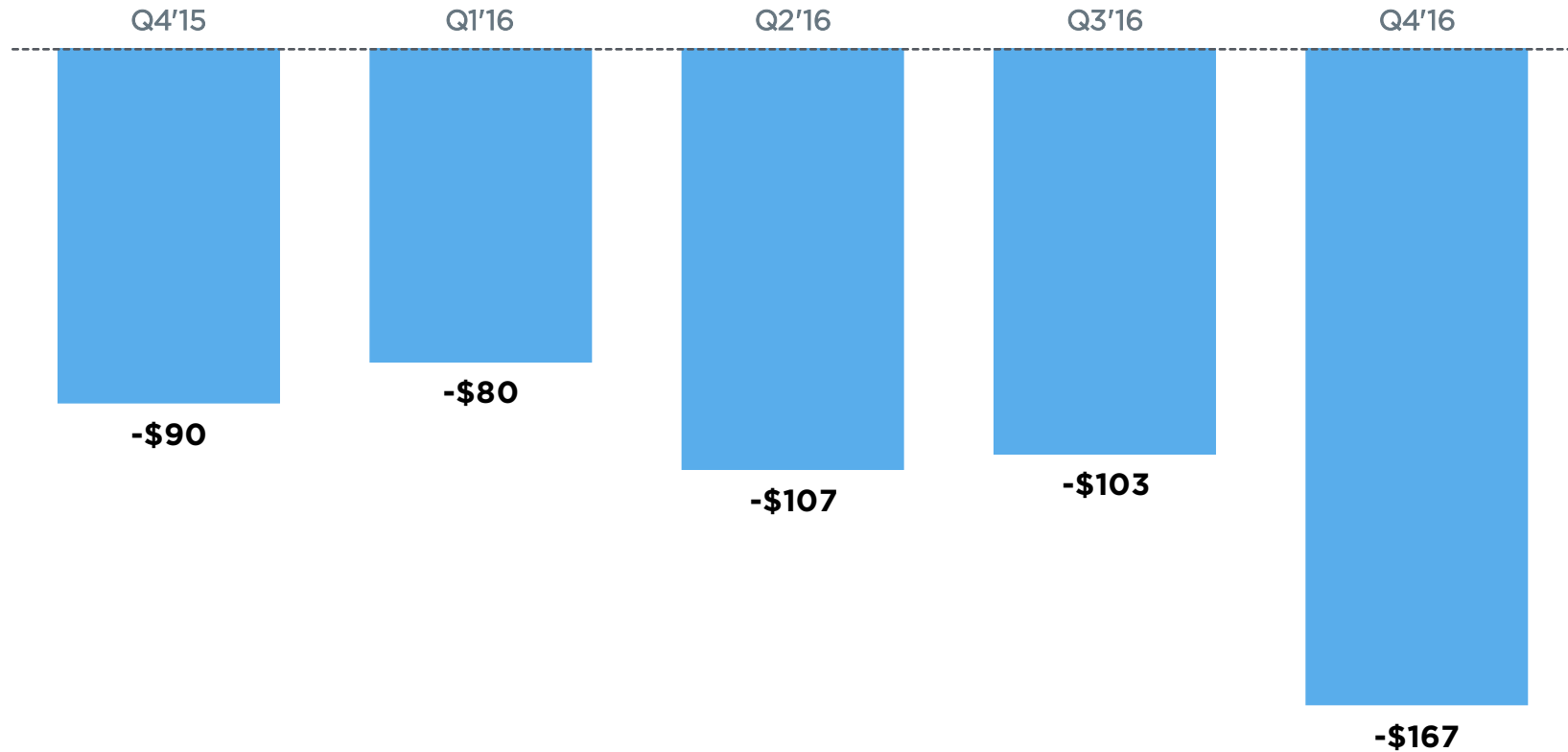
+11%
INT'L Y/Y

-7%
U.S. Y/Y



QUARTERLY NET LOSS

(\$, millions)

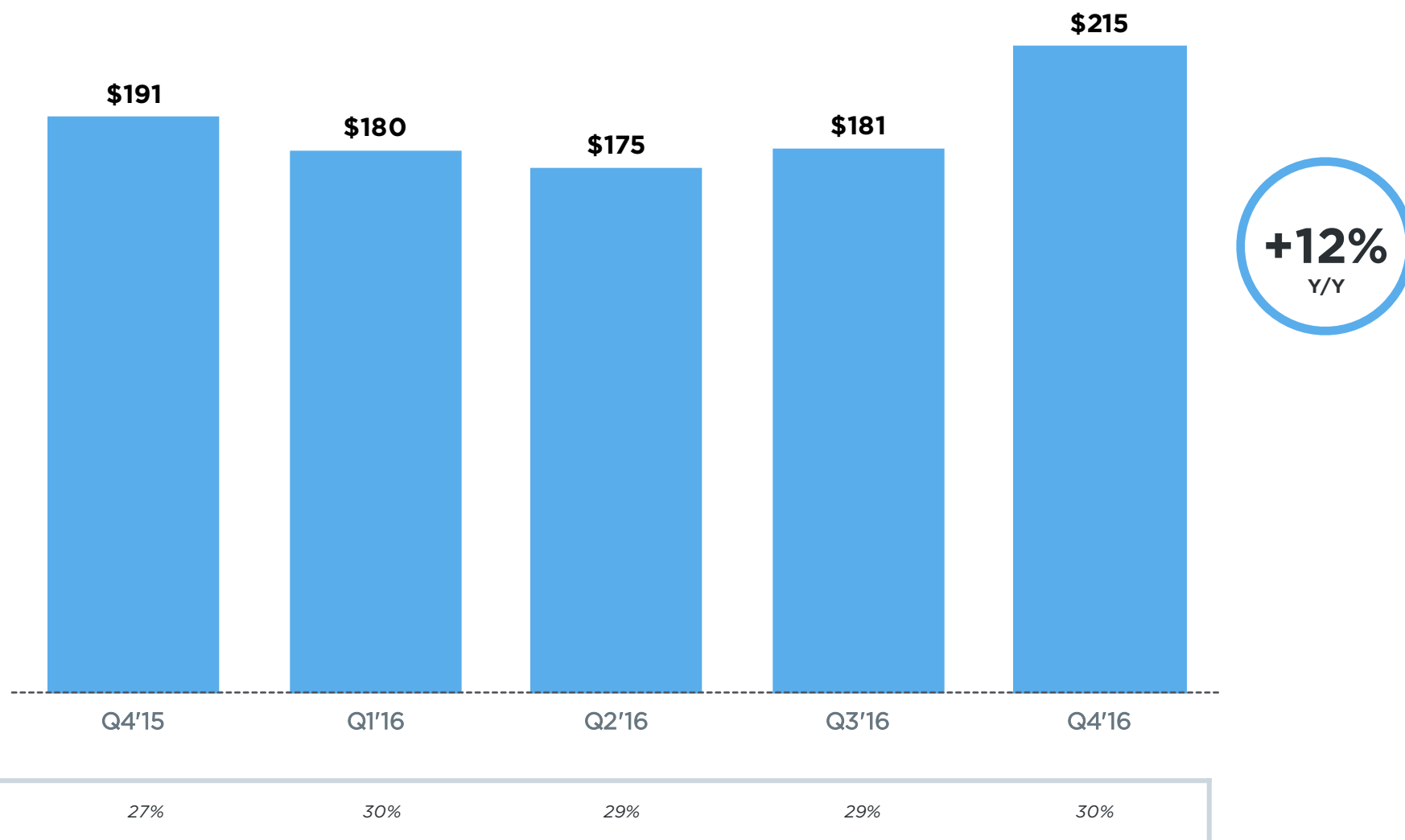


% OF REVENUE	Q4'15	Q1'16	Q2'16	Q3'16	Q4'16
	-13%	-13%	-18%	-17%	-23%



QUARTERLY ADJUSTED EBITDA

(\$, millions)



Note: Adjusted EBITDA is defined as GAAP net loss adjusted to exclude stock-based compensation expense, depreciation and amortization expense, interest and other expenses, net, provision (benefit) for income taxes, and restructuring charges. See Appendix for a reconciliation of GAAP net loss to Adjusted EBITDA.

APPENDIX

ADJUSTED EBITDA RECONCILIATION

(\$, thousands)

RECONCILIATION OF GAAP NET LOSS TO ADJUSTED EBITDA

	Three months ended				
	Dec 31, 2015	Mar 31, 2016	Jun 30, 2016	Sep 30, 2016	Dec 31, 2016
Net loss	(\$90,236)	(\$79,731)	(\$107,217)	(\$102,871)	(\$167,054)
Stock-based compensation expense	158,249	150,916	167,695	158,527	138,095
Depreciation and amortization expense	87,446	88,621	93,283	100,878	119,390
Interest and other expense (income)	19,652	18,587	18,200	18,220	18,619
Provision (benefit) for income taxes	3,405	2,028	2,641	6,562	4,808
Restructuring charges	12,902	47	-	-	101,249
Adjusted EBITDA	\$191,418	\$180,468	\$174,602	\$181,316	\$215,107



Note: Adjusted EBITDA is defined as GAAP net loss adjusted to exclude stock-based compensation expense, depreciation and amortization expense, interest and other expenses, net, provision (benefit) for income taxes, and restructuring charges.

GAAP TO NON-GAAP RECONCILIATIONS

(\$, thousands)

TWELVE MONTHS ENDED DECEMBER 31, 2015						
	GAAP	Stock-based compensation expense	Amortization of acquired intangible assets	Non-cash acquisition-related expense	Restructuring charges	Non-GAAP
Cost of revenue	\$729,256	\$40,705	\$38,509	—	\$1,087	\$648,955
Research and development	806,648	401,537	256	—	8,746	396,109
Sales and marketing	871,491	156,904	15,894	—	2,741	695,952
General and administrative	260,673	82,972	—	926	328	176,447

TWELVE MONTHS ENDED DECEMBER 31, 2016						
	GAAP	Stock-based compensation expense	Amortization of acquired intangible assets	Restructuring charges	Non-GAAP	
Cost of revenue	\$932,240	\$29,502	\$36,180	\$49,019	\$817,539	
Research and development	713,482	335,498	246	15,939	361,799	
Sales and marketing	957,829	160,935	32,432	30,382	734,080	
General and administrative	293,276	89,298	480	5,956	197,542	



