March 25, 2014

Facebook to Acquire Oculus

Acquisition positions Facebook to accelerate Oculus' growth in gaming, communications and new social experiences

MENLO PARK, Calif., March 25, 2014 /PRNewswire/ -- Facebook today announced that it has reached a definitive agreement to acquire Oculus VR, Inc., the leader in immersive virtual reality technology, for a total of approximately $2 billion. This includes $400 million in cash and 23.1 million shares of Facebook common stock (valued at $1.6 billion based on the average closing price of the 20 trading days preceding March 21, 2014 of $69.35 per share). The agreement also provides for an additional $300 million earn-out in cash and stock based on the achievement of certain milestones.

Oculus is the leader in immersive virtual reality technology and has already built strong interest among developers, having received more than 75,000 orders for development kits for the company's virtual reality headset, the Oculus Rift. While the applications for virtual reality technology beyond gaming are in their nascent stages, several industries are already experimenting with the technology, and Facebook plans to extend Oculus' existing advantage in gaming to new verticals, including communications, media and entertainment, education and other areas. Given these broad potential applications, virtual reality technology is a strong candidate to emerge as the next social and communications platform.

"Mobile is the platform of today, and now we're also getting ready for the platforms of tomorrow," said Facebook founder and CEO, Mark Zuckerberg. "Oculus has the chance to create the most social platform ever, and change the way we work, play and communicate."

"We are excited to work with Mark and the Facebook team to deliver the very best virtual reality platform in the world," said Brendan Iribe, co-founder and CEO of Oculus VR. "We believe virtual reality will be heavily defined by social experiences that connect people in magical, new ways. It is a transformative and disruptive technology, that enables the world to experience the impossible, and it's only just the beginning."

Oculus will maintain its headquarters in Irvine, CA, and will continue development of the Oculus Rift, its ground-breaking virtual reality platform.

The transaction is expected to close in the second quarter of 2014.

Webcast and Conference Call Information

Facebook will host a 30-minute conference call to discuss the acquisition at 3:15 P.M. PDT / 6:15 P.M. EDT today. The dial-in number for the call is (866) 751-3284 (toll free) and (973) 935-8772 (international); participants will be connected by an operator. The live webcast of the call can be accessed at the Facebook Investor Relations website at investor.fb.com. Facebook uses the website http://investor.fb.com as a means of disclosing material non-public information and for complying with its disclosure obligations under Regulation FD.

Following the call, a replay will be available at the same website. A telephonic replay will be available for one week following the conference call at (855) 859-2056 or (404) 537-3406, conference ID 18971947.

About Facebook

Facebook's mission is to give people the power to share and make the world more open and connected. People use Facebook to stay connected with friends and family, to discover what's going on in the world, and to share and express what matters to them.

About Oculus

Founded in 2012, Oculus VR, Inc. is building a next-generation consumer virtual reality platform. The company's first product, the Oculus Rift, is a virtual reality headset that allows you to step inside a digital environment and feel as though you are truly there. The Oculus Rift provides an immersive, stereoscopic 3D view with an ultra-wide field of view and low latency head tracking that lets you look around naturally in 360 degrees. For more information, please visit oculus.com.
Facebook Contacts

Investors:
Deborah Crawford
investor@fb.com / investor.fb.com

Press:
Tucker Bounds
press@fb.com / newsroom.fb.com

Oculus Contact:
media@oculusvr.com

Forward Looking Statements

This press release may be deemed to contain forward-looking statements, which are subject to the safe harbor provisions of the Private Securities Litigation Reform Act of 1995, including the expected completion of the acquisition, the time frame in which this will occur, future uses of virtual reality technology and product introductions, the expected benefits to Facebook and Oculus from completing the acquisition, market opportunities for virtual reality technologies, and the expected performance of Facebook following completion of the acquisition. Statements regarding future events are based on the parties' current expectations and are necessarily subject to associated risks related to, among other things, regulatory approval of the proposed acquisition or that other conditions to the closing of the deal may not be satisfied, the potential impact on the business of Oculus due to the announcement of the acquisition, the occurrence of any event, change or other circumstances that could give rise to the termination of the definitive agreement, and general economic conditions, technological changes, competition, unforeseen development delays, product defects, customer and market acceptance of products incorporating virtual reality technologies, the fact that virtual reality is an emerging and unproven technology, regulation, and integration risks, among others. Therefore, actual results may differ materially and adversely from those expressed in any forward-looking statements. For information regarding other related risks, see the "Risk Factors" section of Facebook's Annual Report on Form 10-K for 2013. The forward-looking statements included herein are made only as of the date hereof, and neither party undertakes an obligation to revise or update any forward-looking statements for any reason.

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