

Facebook Inc

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Facebook posts record profits as it shrugs off scandal-filled year

Facebook Inc (NASDAQ:FB) posted record fourth-quarter profit that beat analysts' expectations as the social media giant shrugged off a year of scandals that hurt its public reputation.

The company said profit rose to US\$6.88bn in the final three months of 2018 from US\$4.27bn a year ago as revenue increased 30% to US\$16.64bn.

READ: Facebook demands UK government returns cache of internal documents

Daily active users and active users both grew 9% compared to a year ago.

The group estimates it has 2 billion active users across all its apps including Facebook, Instagram, Messenger and WhatsApp.

Ahead of the opening bell on Wall Street, its shares were up 11.9% to US\$168.31 each.

The results cap off a challenging year for Facebook.

A scandal-filled year

Among one of the most publicised scandals was a data breach affecting 50 million Facebook users in September.

Facebook was also slapped with a lawsuit from Martin Lewis, the founder of MoneySavingExpert.com, for featuring scam advertisements that used his name and image. Lewis dropped the lawsuit earlier this month.

In another blow to the social media firm, it had to remove 364 pages and accounts linked to employees of Russian news agency Sputnik from its platform after some of them posted "anti-Nato sentiment, protest movements, and anti-corruption".

Facebook had said the accounts were created to "mislead others about who they were and what they were doing."

READ: Facebook reports higher 3Q EPS and revenue, with daily and monthly users up 10%

On Wednesday, it emerged that Facebook paid children as young as 13 to install an app that gave the company access to everything their phone sent or received over the internet.

In response, Apple has revoked Facebook's ability to publish certain apps. It accused Facebook of exploiting a loophole in its privacy regulations to publish the iPhone app, which was used to assess what trends young people are following.

Facebook has vowed to invest in staff and new technology to address concerns about data protection and manipulation.

Price: 263.11

Market Cap: \$749.55 billion

1 Year Share Price Graph



Share Information

Code: FB

Listing: NASDAQ

52 week High Low
304.67 137.11

Sector: Online business & e-commerce

Website: www.facebook.com

Company Synopsis:

When it comes to social networking, it's wise to put your best face forward. Facebook, the social networking juggernaut, lets users share information, post photos and videos, play games, and otherwise connect with one another through online profiles.

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'We've changed', says Zuckerberg

In a conference call with investors after the fourth quarter results, Facebook founder Mark Zuckerberg said he had "fundamentally changed how we run this company" and suggested the firm would be able to refocus on product development in 2019 with new innovations in messaging, payments, groups, video and hardware.

Zuckerberg confirmed Facebook was considering plans to integrate messaging platforms WhatsApp, Instagram and Messenger but that it would be a long term project.

"Facebook might have delivered its weakest quarterly revenue growth since listing in 2012, but these numbers are actually some of the most reassuring in its short history," said George Salmon, an equity analyst at Hargreaves Lansdown.

"The way that I feel starting 2019 is that we have clear roadmaps looking at what we need to do," Zuckerberg said. "I do feel like we've started to turn a corner and have a clear plan for what we need to do now."

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