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Sent: 4/29/2014 4:55:26 PM
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Subject: Twitter down ~9% on earnings, lowest price since IPO. Earnings call to begin shortly, lock-up expiry on Tuesday (5/6) [C]
Attachments: pic20229.gif; pic23914.gif; pic25227.gif; pic32679.gif; pic10889.gif; pic19506.gif

Classification: Confidential

Jeffrey -

As you know, you own 1000 shares of TWTR at \$26 (+\$12.7k)

TWTR shares are at their lowest level since the stock's IPO (presently \$38.70, vs. a close of \$42.62)

Conference call begins at 5pm ET

Twitter reported a better-than-expected top and bottom line for Q1, however, Monthly Active User (MAU) growth was shy of whisper expectations. Investors are focused on valuation (still high at current stock price - DB's price target of \$65 implies 65x EV/EBITDA vs. Facebook which is ~12x), and stock action has reflected the forthcoming headwind: ~474mm shares come out of 180 lock-up as of next Tuesday, 5/6 (includes Execs and early stage PE).

Top and bottom line beat (like last quarter) but user growth is just inline with consensus ests and disappoint vs expectations:

Revenues Better - \$250mm vs \$241.5mm

Earnings Better - \$0.00 vs (\$0.03)

But audience growth (Monthly Active Users) just inline - disappointing vs. whisper

MAU:

Total 255M vs SA 256.8M and 241M in Q4 - represents y/y growth of +25%

Mobile 198M vs 184M in Q4

US 57M vs SA 57.0M and 54M in Q4

International 198M vs SA 200.0M and 187M in Q4

(source: Streetaccount.com)

Guidance inline/better:

Q2 Guidance inline EBIDGA of \$35-30mm vs \$28mm

FY Guidance EBIDA of \$180mm-205mm vs prior \$150-180mm (cons 181mm)

TWTR Intra-Day/Aftermarket Price History

(Embedded image moved to file: pic20229.gif)

TWTR 6mo Price History

(Embedded image moved to file: pic23914.gif)

(Embedded image moved to file: pic25227.gif)

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