

Facebook raises \$1B more from non US investors

January 21 2011, By BARBARA ORTUTAY , AP Technology Writer

(AP) -- Facebook said Friday it has raised \$1 billion from non-U.S. investors, which combined with an infusion from Goldman Sachs and Russia's Digital Sky Technologies in December, brings the haul from its latest round of funding to \$1.5 billion.

The investments value the social networking site at \$50 billion, more than the current market values of Yahoo Inc. or eBay Inc., but below those of Amazon.com Inc. and Google Inc.

Facebook did not say Friday how it plans to spend the \$1.5 billion.

The company, which is based in Palo Alto, Calif., had the option to raise up to \$1.5 billion from non-U.S. investors through Goldman, but limited the offering to \$1 billion. Spokesman Jonny Thaw declined to comment further on the decision to limit the offering, which was oversubscribed - meaning more people wanted in than got in.

Earlier this week, Goldman said it was barring U.S. investors from taking part in the Facebook offering, citing widespread media coverage that could have violated securities guidelines that govern private placements.

The investments are in Facebook's Class A shares. The company's Class B shares, held by executives and early employees hold 10 times the voting power of the Class A stock. Facebook created its dual-class stock structure in 2009 to give CEO Mark Zuckerberg and other executives

control over the company. Google has a similar structure.

As anticipated, Facebook also said it will start filing public financial reports by April 30, 2012. While that doesn't technically mean an initial public stock offering, that is the most likely outcome because Facebook will have to make many of the same disclosures of a publicly traded company anyway.

The specific date for filing financial reports comes because the company expects to have more than 500 shareholders by the end of April this year. Once that happens, the Securities and Exchange Commission requires it to disclose its financial results and other details on a quarterly basis so that its investors are adequately informed.

That requirement kicks in 120 days after the first fiscal year in which a company exceeds the 500 shareholder threshold. Since Facebook's fiscal year ends Dec. 31, the latest possible date would be April 30, 2012.

It was the 500-shareholder rule that prompted Google Inc. to go public in the summer of 2004. If Facebook follows a similar timeline, its IPO could come during the summer of 2012.

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