

Report says Facebook seeks \$10 billion in IPO

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(AP) -- Facebook might finally be laying down the groundwork for a highly anticipated initial public offering, long expected to take place sometime after April 2012.

The [Wall Street Journal](#) is reporting that the world's largest online social network is looking to raise as much as \$10 billion in its IPO. The Journal cited people familiar with the matter but did not identify them by name.

The amount would value [Facebook](#) at as much as \$100 billion, according to the report. That's more than four times the [market capitalization](#) that [Google Inc.](#) had at the time of its 2004 IPO. This is at least the second time this year that the Journal has floated the \$100 billion value for Facebook. It reported in May that the company was growing its profit so fast it could justify such a sky-high valuation.

Federal rules require companies with at least \$10 million in assets and more than 500 shareholders to disclose its quarterly financial results and other details. The reporting requirement kicks in 120 days after the fiscal year in which a company exceeds the shareholder threshold for the first time.

Facebook's fiscal year ends Dec. 31, so it would have until late April 2012 to comply with this requirement, having hit the threshold this year.

Founded in a Harvard dorm room in February 2004, Facebook, now based in Palo Alto, Calif., has tried to hold off on an IPO to focus on

building its product rather than pleasing investors. But the reporting rules, along with early employees and investors eager to cash in on their stock, are putting it in a bind.

A slew of smaller Internet and social media companies have been trickling on to the public stock market this year. Professional online network LinkedIn Corp. was the first to test the waters in May. Since then, the online deals site Groupon Inc., the [Internet radio station](#) Pandora Media Inc. and others have gone public. Others, including the reviews site [Yelp](#) Inc. and the online game company Zynga Inc., are planning to do so.

Though hotly anticipated, the latest crop of Internet IPOs has not gone smoothly. Groupon's stock is now trading below its IPO price. It closed at \$15.24 on Monday, down 23.8 percent from its \$20 IPO price. Pandora has also fallen below its IPO price, though LinkedIn, among the few that's been profitable, is still well above it.

On the secondary market SharesPost, where private company stocks are traded, Facebook was recently valued at about \$73 billion. The shares are generally sold by former employees or early investors in these companies, and often there are more buyers than sellers.

Facebook spokesman Jonny Thaw said Facebook is "not going to participate in speculation about an IPO."

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