

Zynga insiders price new stock offering at \$12

March 29 2012

(AP) -- Online games company Zynga Inc. said Wednesday that CEO Mark Pincus and other insiders will sell some of their stake at \$12 a share, slightly below Wednesday's closing price.

Zynga earlier announced that the insiders planned to sell 43 million shares of stock, but it hadn't disclosed the price. Zynga, which had its [initial public offering](#) of stock in December, has said proceeds from the sale will go to the individuals, not the company.

Zynga is the maker of online games such as "CityVille," "FarmVille and "Zynga Poker." Many of the games are played on [Facebook](#), though Zynga has been working on expanding to other areas, notably mobile devices. "Words With Friends," a Scrabble-like game played mainly on smartphones, is one of its best-known titles.

It was one in a group of [social Web](#) companies that went public over the past year. Others include [LinkedIn](#) Corp., Groupon Inc. and [Yelp](#) Inc. Facebook is expected to have its IPO this spring, possibly in May.

Zynga shareholders are selling their stock, just three months after the company went public, to try to avoid a drop in its stock price. Early investors typically must wait about six months after an IPO to sell off parts of their stakes. By selling some shares now, shareholders won't be flooding the market all at once in June when the post-IPO "lock-up" is scheduled to expire. A mass wave of selling can drive down the stock price.

Pincus, who founded Zynga Inc. in 2007, will control about 35 percent of the company once the offering is complete. That's down only slightly from 36.5 percent because he will retain his Class C shares, which have 70 times the voting power of the stock being offered, Class A.

Zynga's stock fell 78 cents, or 6 percent, to close Wednesday at \$12.24. That is 22 percent above the IPO price of \$10 and 2 percent above the offering price for the new shares.

At \$12, the 43 million shares will be worth about \$516 million. Pincus is offering 16.5 million shares, worth about \$198 million.

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Citation: Zynga insiders price new stock offering at \$12 (2012, March 29) retrieved 27 April 2024 from <https://phys.org/news/2012-03-zynga-insiders-price-stock.html>

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