

# Facebook investors to cash out more shares

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This Feb. 8, 2012 file photo shows a Facebook worker smiling inside Facebook headquarters in Menlo Park, Calif. Facebook says 25 percent more shares will be sold as investors clamor for a piece of the year's hottest stock offering. Facebook said in a regulatory filing Wednesday, May 16, 2012 that about 421 million shares will be sold, up from 337 million under its earlier plans. The news comes a day after Facebook raised the expected price range for the stock to a range of \$34 to \$38 per share, up from \$28 to \$35. (AP Photo/Paul Sakuma, File)

**(AP) -- Insiders and early Facebook investors will be unloading more of their shares in the initial public offering, the company said Wednesday, as they take advantage of investor demand.**

Facebook said in a regulatory filing that 84 million shares, worth up to \$3.2 billion, will be added to the offering.

The entire increase comes from insiders and early investors, so the company won't benefit from the additional sales.

The biggest increases come from investment firms DST Global and Tiger Global. Goldman Sachs is doubling the number of shares it is selling. Facebook board members Peter Thiel and James Breyer are also selling more shares.

Founder Mark Zuckerberg isn't increasing the number of shares he's selling.

The news comes a day after Facebook raised the expected price range for the stock to a range of \$34 to \$38 per share, up from its previous range of \$28 to \$35. Also Tuesday, major advertiser General Motors Co. said it would stop advertising on Facebook.

At the high end of the price range, the IPO would raise \$16 billion without the overallotment option reserved to meet extra demand. That would make it the third-largest U.S. IPO in history, ahead of General Motors in 2010, according to Renaissance Capital.

The IPO is the most hotly anticipated in years and would value Facebook overall at more than \$100 billion.

In a filing with the Securities and Exchange Commission, Facebook said current shareholders are now offering approximately 241 million shares, up from about 157 million shares previously.

Even though Zuckerberg isn't increasing the number of shares he is selling, the additional sales will trim his voting control to 55.8 percent from 57.3 percent. That's because he has voting control over some shares now owned by investment firms, which will be sold in the offering.

Facebook has more than 900 million users who log in at least once a month, but it makes only a few dollars per year from each one, chiefly through advertising. Advertisers have been complaining that it's difficult

to make good use of Facebook.

GM did not say why it would stop advertising on Facebook. The Wall Street Journal reported, citing people it did not identify, that it was because GM had concluded that the ads were ineffective.

GM spokesman Greg Martin said the company will keep paid content on pages that promote its products. Meanwhile, GM competitor Ford reaffirmed its commitment to Facebook, saying its relationship was stronger than ever.

Morgan Stanley leads the team of 33 underwriters selected for the Facebook offering, followed by JPMorgan Chase and Goldman Sachs.

The offering is expected to get a final price Thursday evening. Shares would start trading on the Nasdaq on Friday under the "FB" ticker symbol.

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