

# Twitter sinks to new low as 'lockup' expires

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Twitter shares tumbled to fresh lows on Tuesday, under pressure after the expiration of the so-called lockup period, which banned sales by company insiders after its public offering

Twitter shares plunged to new lows Tuesday, under pressure after the expiration of the so-called lockup period, which banned sales by company insiders after its public offering.

The stock sank 17.8 percent to close at \$31.85, the lowest level since the Twitter initial public offering (IPO) last November.

Under US securities lockup rules, some insiders were barred from selling for a period of time after the social network's IPO.

The lockup expired on Tuesday, but Twitter co-founders Jack Dorsey and Evan Williams and chief executive Dick Costolo indicated they have no short-term plan to sell their shares.

Twitter made a spectacular Wall Street debut in November, rising from its \$26 offering price to more than \$70, but has been hurt by concerns about slowing growth and doubts on profitability.

Trip Chowdhry, analyst at Global Equities Research, said Twitter is under pressure on several fronts.

"Engagement on Twitter is falling," Chowdhry told AFP.

"And there seems to be a shift in the industry from public toward private communication. So more people are using WhatsApp, Facebook Messenger, Snapchat, WeChat and others. Twitter is not well-positioned for this change."

Jon Ogg at the specialized blog 24/7 Wall Street suggested the worst may not be over for Twitter, saying it still has a lofty market value.

"What stands out is that Twitter's market cap is still almost \$20 billion, and that is after hitting a new low," he said.

"It is also still worth about 16 times expected 2014 sales and closer to 10 times 2015 sales. On expected earnings, Twitter trades at more than 1,000 times expected 2014 earnings and only 165 times expected 2015 earnings per share."

Twitter said in a regulatory filing in March that "the market price of our

common stock could decline as a result of sales of a large number of shares of our common stock in the market, and the perception that these sales could occur may also depress the market price of our common stock."

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