

LIVE: Facebook goes public

May 18 2012



Electronic screens inside the Nasdaq stock market announce the listing of Facebook shares before the start of trading, Friday, May 18, 2012 in New York. The world's definitive online social network raised \$16 billion in an initial public offering that values the company at \$104 billion. (AP Photo/Mark Lennihan)

(AP) -- It's Facebook's big day. The site, which was born in a dorm room eight years ago and has grown into a worldwide network of almost a billion people, is making the most talked-about stock market debut in years.

Here's some of what Associated Press reporters are finding. Check back all day for updates. All times EDT.

4:56 p.m.

SEC LOOKING INTO NASDAQ GLITCHES

The Securities and Exchange Commission is looking into glitches in the trading of Facebook stock around the time of scheduled debut Friday on the Nasdaq Stock Market.

The glitches caused traders problems changing and canceling their orders and delayed the start of trading by about a half-hour. Nasdaq said around noon that it was "investigating an issue in delivering trade execution messages" for Facebook stock.

The SEC staff "will review the incident with Nasdaq to determine its cause and steps that will be taken to address it," agency spokesman John Nester said.

- Marcy Gordon, AP Business Writer

4:47 p.m.

NASDAQ ON GLITCHES

Nasdaq posted a message on one of its websites telling investors who had problems buying or selling Facebook stock between 11:11 and 11:30 a.m. to call Nasdaq before 5 p.m. with their order information.

Nasdaq went on to say:

"Our intention is to reach resolution of those trades today through an offline matching process. If at the end of that process, a firm continues to have questions or concerns, the firm needs to submit a formal accommodation request to us through the normal channels. Those

requests will be reviewed and ruled upon and further information will be forthcoming concerning those. This is a voluntary process and the normal accommodation rule process is available to those that do not want to participate will be made available."

4:26 p.m.

FINAL STAT CHECK

Facebook closed at \$38.23, a gain of 23 cents, or 0.61 percent.

About 570 million shares were traded on its first day as a public company. For perspective, that is roughly equal to the combined trading volume of 28 of the 30 stocks in the Dow Jones industrial average - every Dow stock except Bank of America and JPMorgan Chase.

4:16 p.m.

CHECKING BACK IN WITH AN EARLY INVESTOR

Alper Aydinoglu, the student at DePaul University in Chicago who got 50 shares via Etrade at \$38, said that he was "disappointed with the first day of trading."

His gain on paper: \$11.50.

Before Etrade's standard commission of \$9.99.

He called it an excellent learning opportunity, though. Plus this: "On top

of everything, I now have the bragging rights that I participated in one of the most popular IPOs of all time."

- Pallavi Gogoi, AP Business Writer

4:09 p.m.

ZUCK: PLAY ALONG AT HOME II

The closing stock price of \$38.23, multiplied by a holding of 503,601,850 shares, gives CEO Mark Zuckerberg a stake worth \$19,252,698,725.

And 50 cents.

4:02 p.m.

'LIKE KISSING YOUR SISTER'

There's the close on Facebook: \$38.23.

All that excitement for a gain of - 23 cents. And it took a rush of buyers in the final minutes to achieve even that. Facebook was hugging the \$38 mark for much of the final hour of trading.

In theory, closing near the IPO price is good. It means that the banks that took the company public judged demand almost perfectly, and got the most money possible for selling stockholders.

But in practice, it's bad: The institutions that buy from the sellers - typically big investors like hedge funds, mutual funds and pension funds - have come to expect big profits on the first day.

"This is like kissing your sister," said John Fitzgibbon, founder of IPO Scoop, a research firm. "With all the drumbeats and hype, I don't think there'll be bar room bragging tonight."

- Bernard Condon, AP Business Writer

3:46 p.m.

ZUCK: PLAY ALONG AT HOME

If you want to figure up Mark Zuckerberg's wealth at the end of the trading day, here's the math: He still holds 503,601,850 shares of Facebook after the initial public offering.

If the stock closes at \$38 - and it is hovering just pennies above that level with about 15 minutes of trading left - that would make Zuckerberg's stake worth about \$19.1 billion.

- Barbara Ortutay, AP Technology Writer

3:30 p.m.

TEACHABLE MOMENT

The Associated Press spoke earlier with Ann Sherman, an IPO expert

and associate finance professor at DePaul University, and asked her to check back in with her thoughts at the end of the trading day.

With Facebook almost back to its offering price of \$38 per share, she said that even the best stocks can be over-hyped.

Sherman added: "From now on, I'll be able to use Facebook as the perfect example of what I tell the students in my IPO and venture capital class - that even apparently hot IPOs can be risky to price, and that no company can perfectly control the timing of their offering."

- Pallavi Gogoi, AP Business Writer

3:23 p.m.

MAD MONEY

Earlier this week, Mad magazine imagined a Facebook stock certificate, complete with a photo of Mark Zuckerberg smiling from inside an oval, like George Washington on the dollar bill.

"Thank you for funding our ongoing effort to collect and control every single piece of personal information on the Internet," the certificate says. "Every photograph, every song, every social cause, every event listing, every opinion, every breathless description of a recently eaten pulled-pork sandwich."

Facebook is drifting back toward its offering price of \$38. It's up just 10 cents for the day now as volume nears half a billion shares.

3:11 p.m.

TILL THURSDAY

Bruno del Ama, the CEO of asset management firm Global X Funds, said that he will wait five full trading days, until after the market closes Thursday, to get in on Facebook.

"On the first day you see a tremendous amount of volatility," he said. By the fifth day, investors should see more stability, he said.

He believes Facebook is here to stay: "Once companies have built a network, it's really difficult to displace them," he said. He added that while massive companies such as Google are trying to compete with Facebook, and may even have better technology, "we care about where our friends are."

- Barbara Ortutay, AP Technology Writer

3:02 p.m.

AN HOUR TO GO

Facebook stock is trading at \$39.02, up a little more than a buck. Volume just passed 450 million shares.

It's another bleak day for the rest of the market, by the way. The Dow Jones industrial average appears headed for its 12th loss in the past 13 trading days. The Nasdaq composite, representing Facebook's stock exchange, is down 1 percent.

2:54 p.m.

BUT SERIOUSLY, FOLKS

Twitter users are joking about the Facebook IPO.

From Conan O'Brien: "Today, Facebook went public, just as MySpace's last user went private."

And from the Twitter feed of the website Someecards: "My favorite Facebook public offerings are still your beach photos."

- Peter Svensson, AP Technology Writer

2:29 p.m.

WE ARE THE ONE-QUARTER PERCENT

Conversations about the Facebook IPO accounted for 0.25 percent of all online discussion during the first part of the workday, according to NM Incite, a company that tracks social media traffic.

That may sound small, but it's an increase of 5,000 percent compared with the buzz about the Facebook IPO a month ago. It is also four times greater than the chatter for the LinkedIn IPO and 10 times greater than the Groupon IPO.

- Scott Mayerowitz, AP Business Writer

2:18 p.m.

POP CULTURE

Francis Gaskins, president of IPOdesktop, a market research company, said that it wasn't a bad thing that Facebook didn't get a "pop" on its first day, similar to what happened during the 1990s dot-com frenzy.

He said that most tech companies going public want a big rise in their debut to show they're "strong, dynamic companies standing out in the crowd" but that Facebook already has that image, and so may not care.

Gaskins said that the banks taking Facebook public have learned from the IPOs of social media companies in the past year and are better able to gauge demand and supply for a new stock.

He said a rise of 5 percent to 8 percent in this "tough market" is a success.

Facebook stock is up 5.5 percent as volume approaches 400 million shares.

- Bernard Condon, AP Business Writer

2:13 p.m.

ZUCK ON WHAT TODAY MEANS

CEO Mark Zuckerberg, speaking before he symbolically rang the

opening bell for the Nasdaq from Menlo Park, Calif.:

"Right now this all seems like a big deal. Going public is an important milestone in our history. But here's the thing: Our mission isn't to be a public company. Our mission is to make the world more open and connected. In the past eight years, all of you out there have built the largest community in the history of the world. You've done amazing things that we never would have dreamed of, and I can't wait to see what you guys all do going forward."

2:05 p.m.

VITAL SIGNS

With two hours to go in the trading day, Facebook is at \$40.50, or \$2.50 higher than its offering price. Volume has just passed 380 million shares.

By comparison, Bank of America, frequently the most active stock in the Standard & Poor's 500 index, has traded only 155 million shares today. The next most active stock in the S&P, JPMorgan Chase, is at 59 million.

1:57 p.m.

THE RUSH FROM SMALL INVESTORS

TD Ameritrade, the online brokerage, reports that in the first 45 minutes that Facebook was trading, it accounted for a record 24 percent of trades executed by its customers.

By comparison, on its first day back on the stock market, in November 2010, General Motors represented 7 percent of overall trades on TD Ameritrade. For the LinkedIn IPO, in May 2011, the figure was 5 percent.

Steve Quirk, who oversees trading strategy at TD Ameritrade, said that about 60,000 orders were lined up before Facebook opened.

"The volume has been unbelievable even though the stock hasn't moved dramatically," Quirk said. "It's a hot topic in our chat rooms, and most people expected to see the stock move more than it has."

- Pallavi Gogoi, AP Business Writer

1:47 p.m.

UPDATE ON SOCIAL MEDIA STOCKS

Facebook stock is trading at about \$41.25, a healthy gain of more than \$3, but it appears to be disappointing investors in other social media companies, especially those with ties to Facebook.

LinkedIn is down 3.3 percent, Groupon is down 6 percent, and Zynga, which is trading again, is down more than 8 percent.

- Bree Fowler, AP Business Writer

1:23 p.m.

CALIFORNIA DREAMING

Gov. Jerry Brown of California must not have seen "The Social Network."

In an appearance on "CBS This Morning," Brown said that his state is the land of innovation that it was where Facebook was invented. He added: "Not in Texas, not in Arizona, not in Manhattan and certainly not, you know, under the White House or the Congress."

But interviewer Charlie Rose pointed out that CEO Mark Zuckerberg and others developed the site at Harvard University, all the way across the country in Cambridge, Mass.

Brown responded that the Facebook inventors quickly came to California, "where all the other innovative people are."

- Juliet Williams, AP Sacramento bureau

1:16 p.m.

EXPERIENCING THE FACEBOOK IPO ON FACEBOOK

Facebook's IPO has Wall Street abuzz. But what about Facebook's 900 million users?

Some were debating whether they should get in on the buying frenzy. Others were guessing the closing price. Several were lamenting that they hadn't thought to invent the social media site themselves.

A few treated even the company like a person, congratulating it on the

public offering as they might a friend on the birth of a child.

"Hey Facebook! Have a good first day on the stock market," a swimming pool maintenance and repairman from Petaluma, Calif., wrote from a mobile device. Within two hours, eight other Facebook users had "liked" the post.

Not all Facebook users were obsessed with the company's entrance to the stock market. They went along with their everyday lives, posting photos of drunken debauchery that they might one day regret, weighting in on the presidential election, celebrating Haitian flag day or just welcoming the start of the weekend.

- Scott Mayerowitz, AP Business Writer

1:05 p.m.

NASDAQ ON THE DELAY

Seconds before noon, with demand for Facebook stock overwhelming, Nasdaq issued a message on one of its websites saying that it was "investigating an issue in delivering trade execution messages" from the Facebook IPO.

Nasdaq initially planned the first trades of Facebook stock for 11 a.m., then 11:05 a.m. The stock opened at about 11:30.

Facebook is trading at about \$41, or \$3 higher than its offering price. Volume is approaching 320 million shares traded.

- Tali Arbel, AP Business Writer

12:55 p.m.

A FUND MANAGER WEIGHS IN

Chris Brown, manager of the Pax World Balanced mutual fund, made a roughly \$14 million investment when his \$1.9 billion fund acquired private shares of Facebook on a secondary market before the IPO.

As shares traded publicly for around \$40 at midday Friday, Brown said the rise from the stock's \$38 opening price was unsurprising.

"Going into the IPO, there has been a lot of skepticism from investors, in particular institutional investors, questioning anything from whether the price of the stock is fair, to whether Facebook can successfully monetize and sell ads," he said.

"We're long-term investors. It's nice to have the stock up for one day, but it's only one day. It's hard to extrapolate much as to the future of the company."

In coming days, Brown expects plenty of ups and downs for the stock, as investors assess a company whose prospects are hard to pin down because of its evolving business model.

"You're going to see obviously an extreme amount of volatility over the next week as people evaluate the stock," Brown said.

- Mark Jewell, AP Personal Finance Writer

12:50 p.m.

THE OUTSIDER'S VIEW

"I'm part of the 99 percent. I don't buy stock shares," Jerry Urban said as he waited for a bus in Baltimore. "I wish them good luck. Tell them to stop selling my information."

Facebook stock is at about \$40.50, or \$2.50 higher than its offering price.

- Alex Dominguez, AP Baltimore bureau

12:24 p.m.

SHOULD YOU BUY? A VIEW FROM ONE BANKER

Facebook stock is up about 6 percent from its offering price. More than a quarter-billion shares have been traded.

Blessing Ogugum of Nashville, Tenn., a vice president in business banking for Wells Fargo who has worked in commercial lending for 15 years, said he was not comfortable buying Facebook stock:

"I'm thinking it's great for now. But 10 years from now, is that crave still going to be there? So if I go ahead and invest now, I know Facebook is not producing any product. It's just a social media site. So in 10 years to come, if this hype dies down, then what happens to my investment?"

- Lucas L. Johnson II, AP Nashville bureau

12:19 p.m.

WATCHING OTHER SOCIAL STOCKS

Some recent quotes from other social media stocks:

LinkedIn: Down 2.2 percent.

Groupon: Down 6 percent.

Zynga: Down 13 percent, and apparently halted. Its last trade was about 40 minutes ago.

12:17 p.m.

ELSEWHERE IN TECH LAND

It's a good day for some other big-name technology stocks.

Stock in Yahoo is up more than 5 percent after a report from All Things D, a website devoted to technology news, that Yahoo was close to selling part of its valuable stake in the Chinese Internet company Alibaba Group.

Apple, which has fallen more than \$100 per share from its all-time high of \$644 earlier this year, is up 1.3 percent at \$537. Google is up 0.3 percent at \$624 per share.

Meanwhile, Facebook has nudged back over the \$40 level, and volume

has surpassed 250 million shares traded.

12:02 p.m.

BACK UP FOR THE DAY

Facebook stock has climbed back to about \$40 as trading volume surpasses 220 million shares. The stock had opened at \$42.05 and sunk back to \$38, its offering price, but did not cross below that level. That indicates heavy buying interest in the stock at \$38.

11:50 a.m.

DRIFTING BACK TOWARD \$38

Facebook stock, which opened with a gain of about \$4 over its offering price of \$38, has steadily drifted lower in the first half-hour of trading. It is hovering now at about \$38. Trading volume is closing in on 200 million shares.

11:47 a.m.

150 MILLION SHARES

Facebook's trading volume is surging. It passed 150 million shares traded about 15 minutes after its debut on the Nasdaq. The price has drifted back toward the offering price and is now at about \$39, a rise of \$1.

The stock of another Internet company, Zynga, responsible for the popular FarmVille game on Facebook, appears to be halted for trading after it plunged minutes into the Facebook debut. There is no immediate word on why.

11:38 a.m.

BIG VOLUME

Facebook topped 100 million shares traded in the first four minutes after its debut on the Nasdaq. By comparison, Amazon.com has traded about 2.2 million shares today and Google about 2 million.

Seven minutes after its first trade, the stock was hovering at about \$40, a \$2 gain over its offering price.

11:32 a.m.

FACEBOOK STOCK OPENS

More than 80 million shares have traded in the first minute at the Nasdaq. The stock opened with a jump of about 11 percent, at \$42.05, or \$4.05 higher than the listing price.

- Seth Sutel, AP Business Writer

11:28 a.m.

REPORT OF DELAY AT NASDAQ

The Wall Street Journal reports that traders are experiencing problems changing and canceling their orders for Facebook stock ahead of the debut. There is no immediate comment from Nasdaq.

11:19 a.m.

SNAGGING SOME SHARES

Alper Aydinoglu, a student at DePaul University in Chicago, said that he got 50 shares via an Etrade account that he opened specifically to buy Facebook shares.

"It's my first IPO experience," Aydinoglu said.

He added: "I bought the stock for a couple of reasons. No. 1, there's so much hype about Facebook and everybody is going to be getting in on it, so there will likely be a huge pop in the stock today. Another reason is that Facebook is a great company. Mark Zuckerberg created something huge."

He said that if the stock rises 15 percent to 50 percent, he may sell half and keep the rest. If the stock drops, he said, he plans to get out altogether.

- Pallavi Gogoi, AP Business Writer

11:07 a.m.

WAITING IN TIMES SQUARE

People are huddled outside the windows of the Nasdaq site in Times Square, waiting for the stock to open. People are holding up cell phones and cameras pointed at the Nasdaq board, waiting to get a picture of the first price change.

- Joseph Pisani, AP Business Writer

11:02 a.m.

A WARNING FROM GERMANY

A German data protection official has warned Facebook investors that the site's \$38 starting share price is based on practices that may breach European privacy rules.

Thilo Weichert, data protection commissioner for the northern German state of Schleswig-Holstein, said shareholders should be aware that if European privacy authorities have their way, "Facebook's business model will implode."

Weichert was quoted by German daily Frankfurter Allgemeine Zeitung on Friday saying Facebook could be ordered to stop transferring user information to the United States.

Facebook's IPO prospectus warns investors that its business is subject to "complex and evolving U.S. and foreign laws and regulations regarding privacy, data protection, and other matters" that could harm its business.

10:52 a.m.

THE ARGUMENT AGAINST JUMPING IN

The banks helping take Facebook public want us to value this 8-year-old upstart at as much as \$104 billion, more than Disney or Kraft Foods, though those companies earn three and four times more. That top valuation is also more than 100 times Facebook's earnings last year, versus 13 times for the average company.

At such a high price, it will take years for this so-called earnings multiple to fall to a more reasonable level, and that's assuming the company can maintain its torrid earnings growth.

To make money in Facebook, you're betting that other buyers will be just as willing as you to hold their nose at the valuation, and keep doing so for years.

Facebook grew its earnings 65 percent last year, faster than at most companies, so you should pay more for it than you would the typical company. But how much more? Profits at Apple grew 85 percent last year. Its stock is trading at 13 times earnings per share.

- Bernard Condon, AP Business Writer

10:47 a.m.

THE REACTION ONLINE

Facebook's IPO was popular, but not that popular, on Twitter. God, a retiring Chicago Cubs pitcher, Kanye West's new film and Haitian Flag

Day all were trending higher in the U.S. at 10:30 a.m.

Down at No. 9 was "\$FB," a tag used to talk about the offering. At the top of the list? The hashtag "ThingsWeAskGod2helpUsWith," along with news about the possible retirement of Cubs pitcher Kerry Wood and "Cruel Summer," the name of Kanye West's short film that will debut at the Cannes Film Festival.

The IPO was No. 2 in trending Google searches, right after the death of disco queen Donna Summer.

- Scott Mayerowitz, AP Business Writer

10:40 a.m.

AT INTRADE, BETTING ON A BIG FIRST-DAY GAIN

Intrade, the online betting market, is getting in on the early Facebook action. Its top item for bidding is a wager on Facebook's share price at the close of the first day of trading.

Based on its orders to date, Intrade said that the market is predicting a 77 percent chance that the close is \$45 or higher. A closing price of \$45 would represent a first-day gain of 18 percent for the stock.

The odds that the price would close at \$60 or higher were only 15 percent. But there was a widespread assumption the stock would finish up for the day. Intrade put the odds of a close of \$40 or higher at 92 percent.

To bet on a prediction, you need to open and fund an account at

Intrade.com.

- Dave Carpenter, AP Personal Finance Writer

10:33 a.m.

ONE ARGUMENT FOR BUYING

Facebook will sell on the open market for 20 times the company's projected 2012 revenue, based on its IPO price of \$38. Google, by comparison, is trading at about six times its projected revenue for this year.

But Facebook hasn't been as aggressive as it could have been about selling ads or finding other ways to make money where its visitors, on average, dwell for an average of 6 1/2 hours per month, according to comScore Inc.

Instead of ramping up revenue, Facebook has concentrated on attracting users - an emphasis that is bound to pay off.

Facebook also has a big personnel advantage: Sheryl Sandberg, hired as the company's chief operating officer in 2008. She played a key role in expanding Google's advertising system during its first few years as a publicly held company, a period when the company's stock hit its peak so far.

- Michael Liedtke, AP Technology Writer

10:24 a.m.

THE RIPPLE EFFECT: OTHER IPOs?

Ann Sherman, an expert on initial public offerings and an assistant professor in the department of finance at the DePaul University, said that the IPO will lead other technology companies to go public.

"Facebook is unique in so many ways, but its IPO will certainly inspire other companies to try an IPO if they are already thinking of it," she said.

But other companies won't get a reception anything like Facebook's, she said. They will face much more muted investor demand, like that for Groupon and LinkedIn, she said.

- Pallavi Gogoi, AP Business Writer

10:15 a.m.

A POP FOR THE NASDAQ

The stock market is flat so far, but it's a good day for one stock in particular - Nasdaq OMX Group, which operates the Nasdaq Stock Market.

Facebook announced in April that it would list its shares there, under the stock ticker symbol "FB." The Nasdaq is also home to Google and Microsoft.

Stock in Nasdaq OMX Group is up 1.7 percent for the day. The Nasdaq

composite index is up just 0.06 percent.

10:04 a.m.

MORE FROM THE NASDAQ SITE

In Times Square, people walking by are taking pictures of the giant Nasdaq billboard, which today features the Facebook logo. Some are "checking in" to the Nasdaq on Facebook.

Frederick Nolde, 31, of Richmond, Va., is in New York for meetings. He said that he bought 100 shares of Facebook through Etrade. He thinks the company is worth \$100 billion, but he said the real question is how Facebook performs with mobile users.

"If they can figure that out, they'll do well," he said.

- Joseph Pisani, AP Business Writer

9:56 a.m.

STATUS UPDATE

On Mark Zuckerberg's Facebook page, under recent activity, was this, posted shortly after 9:30 a.m. EDT:

"Mark listed FB on NASDAQ."

9:52 a.m.

VIEW FROM THE NASDAQ

At Nasdaq's streetfront location in Times Square, Dennis Hitchings, a retiree from Columbus, Ohio, was peering through the window at Nasdaq's board of constantly changing stock prices.

He said that he doesn't think Facebook is worth \$100 billion - "They don't have the revenue" - but he did say he would buy the stock at \$38.

- Joseph Pisani, AP Business Writer

9:39 a.m.

TALE OF THE TAPE

How Facebook stands up against one of its Internet rivals, Google, based on the most recent available data:

Annual revenue - Google \$38 billion, Facebook \$3.7 billion.

Advertising revenue - Google \$36.5 billion, Facebook \$3.2 billion.

Annual net income - Google \$9.7 billion, Facebook \$668 million.

Employees - Google 33,100, Facebook 3,500.

9:33 a.m.

THE OPENING BELL

Wearing his trademark hoodie and standing before a huge crowd in Menlo Park, Calif., CEO Mark Zuckerberg symbolically opened trading on the Nasdaq Stock Market.

Facebook stock won't begin trading until later in the morning. The broader market opened slightly higher, with the Nasdaq composite index up about 10 points, or 0.3 percent.

9:27 a.m.

SOME PERSPECTIVE ON MARKET VALUE

The IPO price values Facebook at \$104 billion. By comparison, here are the top five companies in the Standard & Poor's 500 index by market value, based on Thursday's closing stock prices:

Apple, \$496 billion

Exxon Mobil, \$383 billion

Microsoft, \$250 billion

IBM, \$229 billion

Wal-Mart Stores, \$210 billion

- Seth Sutel, AP Business Writer

9:15 a.m.

FLASHBACK: GOOGLE'S DEBUT

The last technology stock to go public with this level of attention was Google, which made its debut Aug. 19, 2004. Here's how The Associated Press covered it:

SAN JOSE, Calif. - In the most highly anticipated Wall Street debut since the heady days of the dot-com boom, shares of Google surged nearly 20 percent on their first day of public trading Thursday as the quirky [Internet company](#) completed its much-hyped initial stock offering.

Despite the first-day jump, the debut generated much less money than the [company](#) envisioned after it launched an unorthodox auction designed to open the stock beyond large investors who typically get first crack at new stock issues.

Google shares finished the day at \$100.34, up 18 percent, and the stock offering raised \$1.67 billion. The company originally hoped to open at between \$108 and \$135, generating as much as \$3.6 billion and making the company worth up to \$36 billion.

8:54 a.m.

THE RIPPLE EFFECT: CALIFORNIA CASH

Besides minting Internet billionaires, the [Facebook](#) IPO should provide a little help for the cash-starved state of California.

The state's nonpartisan Legislative Analyst's Office says the IPO will generate \$1.6 billion to \$2.6 billion for the state through the middle of next year as shareholders cash in their stock.

California badly needs the money: Gov. Jerry Brown said over the weekend that the projected state deficit has swelled to \$15.7 billion for the coming fiscal year. In January, it was projected at \$9.2 billion.

8:48 a.m.

POP AND DROP

Several of last year's must-have IPO stocks aren't exactly must-haves anymore.

Pandora, an Internet radio company, went public June 15 at \$20 a share. You could have bought the stock during the day for \$26. It's now trading under \$11.

Groupon, the online daily deal company, priced its stock at \$20 a share on Nov. 4. It traded above \$31 the first day and is now under \$13.

And LinkedIn, a social network for professionals, more than doubled from its \$45 offer price within minutes of hitting the market last May 19. It reached \$122.70 on the first day before closing at \$94.25. It's back to about \$105.

- Dave Carpenter, Personal Finance Writer

8:41 a.m.

THE KID BILLIONAIRE

CEO Mark Zuckerberg is selling about 30 million shares of Facebook as part of the initial public offering. At \$38 each, he pockets \$1.15 billion. He will remain Facebook's largest shareholder, will more than 32 percent of Facebook's total shares. At the \$38 share price, his stake in the company is worth \$19.1 billion.

Zuckerberg will control the company with 56 percent of its voting stock as a result of agreements he has with other shareholders who promise to vote his way.

Here's his bio:

AGE: 28. Born May 14, 1984.

RESIDENCE: Palo Alto, Calif. Grew up in Dobbs Ferry, N.Y.

EDUCATION: Philips Exeter Academy, class of 2002. Studied computer science at Harvard University before dropping out.

PROFESSIONAL CAREER: Co-founded Facebook in his Harvard [dorm room](#) in 2004. Has served as CEO since.

FAMILY: Mother, Karen; father, Edward; sisters Arielle, Donna and Randi Zuckerberg.

8:30 a.m.

NEXT STOP: 1 BILLION

Have a look at how explosively Facebook has grown. According to the company, this is when the site passed milestones for its number of active users, defined as someone who logs on at least once a month:

1 million - End of 2004.

5.5 million - End of 2005.

12 million - End of 2006.

20 million - April 2007.

50 million - October 2007.

100 million - August 2008.

150 million - January 2009.

175 million - February 2009.

200 million - April 2009.

250 million - July 2009.

300 million - September 2009.

350 million - End of 2009.

400 million - February 2010.

500 million - July 2010.

608 million - End of 2010.

750 million - July 2011.

800 million - September 2011.

845 million - End of 2011.

901 million - March 2012.

HEDGE FUND VIEW: HE'S IN

Andrew Schneider, a hedge fund adviser and CEO of San Francisco-based Schneider Family Office, was busy selling shares of Apple and LinkedIn on Thursday to free up cash for buying Facebook.

He planned to spend at least \$20 million, or 8 percent of his firm's liquid assets.

"You've got 900 million users, and you've got real solid revenue, and the company is earning money," Schneider says.

He's not concerned about plowing such a large proportion into one company: "We feel very strongly and very comfortably about this." Nor is he rattled by General Motors' announcement that it would stop buying display ads on Facebook. He calls that "a very, very small amount."

Schneider points out that there were naysayers when Google went public in 2004, priced at \$85 a share. It closed Thursday at \$630.

"A lot of people went on the short side of Google when it opened," says

Schneider, who is also CEO of Global Hedge Fund Advisors. "And boy, were they wrong."

-Christina Rexrode, AP Business Writer

HEDGE FUND VIEW: STEERING CLEAR

Whitney Tilson says his hedge fund, T2 Partners, avoids newly public companies as a rule because companies tend to go public only when things are going well.

T2 Partners prefers to look for battered stocks that it can scoop up cheaply. It bought more stock in JCPenney this week. Tilson admits, though, that avoiding initial public offerings doesn't always work. Google, he says, "turned out to be a great deal."

Tilson said he expects Facebook's stock will rise over the long term. Facebook, he says, "does look and smell a lot like [Google](#)."

- Christina Rexrode, AP Business Writer

INSTEAD OF A RED CARPET, RED INK

Facebook isn't getting much of a welcome to the neighborhood.

Thursday was one of the worst days of the year for stocks. The Dow Jones industrial average dropped 156 points and has fallen 11 of the past 12 days, mostly because investors are nervous about turmoil in debt-burdened Greece.

The Nasdaq composite, representing the [stock](#) exchange where Facebook will trade, fell 2 percent on Thursday. The composite was up almost 20 percent for the year at the end of March, but that gain has withered to 8 percent.

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