

# Key developments for Facebook as public company

The Associated Press

Facebook Inc. reported fourth-quarter earnings that exceeded expectations and said the percentage of advertising revenue generated from mobile apps is growing. The company's stock has been rising in recent months, though it still hasn't hit its initial public offering price of \$38.

Here's a look at key developments in Facebook's stock.

Feb. 1, 2012: Facebook announces IPO plans in a regulatory filing.

April 9: Facebook announces plans to buy Instagram, a photo-sharing social network, for \$1 billion in cash and stock.

April 23: Still privately held, Facebook says first-quarter net income fell 12 percent to \$205 million, weighed down by higher expenses even as its revenue rose 45 percent to \$1.06 billion. Facebook also says it plans list its stock on the Nasdaq Stock Market under the ticker symbol "FB."

May 3: Facebook sets a price range of \$28 to \$35 for its IPO. The company and its early investors plan to sell 337.4 million shares. At the high end, that would raise as much as \$11.8 billion, although not all goes to the company. Facebook's offering values it at \$76 billion to \$95 billion.

May 7: Facebook begins a so-called road show. Executives travel to key cities to tell potential investors why they should invest in the stock. The first stop is New York.

May 8. Road show goes to Boston.

May 11: Facebook updates its policy to give users more clarity on how information they share is used by the company. The company also signals that it may start showing people ads on websites other than Facebook. Other companies already do this. How would that work? Users might see ads based on their Facebook "likes" pop up on other sites. Road show concludes in Palo Alto, Calif.

May 15: Facebook increases its price range for the IPO to \$34 to \$38 per share. At the high end, the sale would raise about \$12.8 billion and value the company at \$104 billion.

May 16: Responding to extraordinary demand, Facebook adds 84 million shares, worth up to \$3.2 billion, to the IPO. That brings the total to 421 million shares, or \$16 billion based on a price of \$38 per share, offered by Facebook and its early investors.

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May 17: Facebook prices its IPO at \$38 per share, raising \$16 billion. The company stands to reap as much as \$18.4 billion if extra shares reserved to cover additional demand are sold too. That would be the second-largest U.S. IPO ever, lagging only Visa Inc. The offering values Facebook at about \$104 billion.

May 18: Surrounded by cheering employees and wearing his signature hoodie, Zuckerberg rings the opening bell of the Nasdaq from Facebook headquarters in Silicon Valley. About two hours later, Facebook begins trading, opening at \$42.05 per share after an anxiety-filled half-hour delay caused by technical problems at Nasdaq. Volume is huge: More than 500 million shares change hands. But the stock closes almost unchanged at \$38.23.

May 21: Facebook's stock closes below its IPO price.

May 29: Facebook's stock falls below \$30 for first time.

June 6: The Nasdaq stock exchange says it plans to hand out \$40 million in cash and credit to reimburse investment firms that got ensnared by technical problems with trading Facebook stock. FINRA, the financial industry's self-regulatory group, will review claims for compensation.

June 12: Research firm comScore suggests that marketing on Facebook can help increase sales. ComScore urges marketers to look beyond acquiring as many fans as possible on Facebook and focus on their message and on social media marketing campaigns.

June 15: Facebook seeks to consolidate the more than 40 lawsuits it faces and suggests the Nasdaq Stock Market is partly to blame for its stock's price drop. Facebook also releases letters it had with federal regulators ahead of its IPO, something companies typically do after a confidentiality period ends. Facebook's stock closes with a gain for the week for the first time.

July 26: In its first earnings report as a public company, Facebook says revenue grew 32 percent to \$1.18 billion in the second quarter, slightly above analyst expectations. It had a net loss of 8 cents per share, mainly due to stock compensation expenses following its IPO. Adjusted earnings of 12 cents per share matched Wall Street's expectations. Investors weren't impressed, though, and its stock fell in trading.

Aug. 16: Ninety days after the stock began trading, some early investors and insiders are eligible to dump additional shares. Facebook's stock plunges to a new low.

Aug. 17: Facebook's stock falls further and hits \$19 — half of its IPO price — just minutes before trading ended for the day.

Aug. 20: The stock price falls below \$19, before bouncing back to close at \$20.01. In a regulatory filing, it's disclosed that Peter Thiel, one of Facebook's earliest

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investors and a member of its board, was among the insiders selling stock after the lock-up period expired. He sold about 20 million shares through affiliates for \$19.27 to \$20.69 each.

Aug. 22: Federal government clears Instagram deal. Because of Facebook's falling stock price, the \$1 billion cash-and-stock deal drops to about \$750 million.

Sept. 4: Facebook says Zuckerberg won't sell stock in the company for at least the next 12 months. There had been concerns that additional shares could flood the market and depress stock prices further if Zuckerberg sold stock when he is eligible Nov. 14. The company also says employees will be able to sell their shares starting Oct. 29.

Sept. 6: Facebook says it has closed on its Instagram deal, now worth about \$740 million — \$300 million of it in cash and the rest in stock.

Sept. 11: Zuckerberg says the performance of Facebook's stock "has obviously been disappointing," and will probably cause some demoralized employees to defect. But he said he hopes most workers will stay and "double down" on Facebook's future.

Sept. 12: Facebook's stock lifts 7.7 percent following Zuckerberg's remarks.

Sept. 24: Facebook's stock tumbles 9 percent after an article in the financial magazine Barron's said it is "still too pricey" despite a sharp decline since its initial public offering.

Oct. 23: Facebook reports third-quarter results that inch past Wall Street's expectations, offering evidence that the company is making inroads in mobile advertising — a longtime concern among investors. Adjusted income was 12 cents per share, a penny better than what analysts were expecting. Revenue rose 32 percent to \$1.26 billion, slightly above the \$1.23 billion that analysts polled by FactSet were expecting.

Dec. 31: Facebook's stock closes at \$26.62 on the last day of the year.

Jan. 9: The stock passes \$30 for the first time since July after Facebook sends out invitations for a mystery event that later turns out to be the unveiling of a new search feature.

Wednesday: Facebook reports fourth-quarter earnings that exceed Wall Street's expectations. Its stock price fluctuates sharply in after-hours trading, as investors weigh lower net income and growing expenses against an increasing user base and higher advertising revenue. Amid worries about its ability to make money from mobile apps, the way more users are accessing Facebook, the company discloses that it generated 23 percent of advertising revenue from mobile, up from 14 percent in the third quarter.

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