

The Long Facebook Week (and the week-end too!): here's a summary of news, hints and thoughts about this event [part I]

Last week has definitely been the (long) **Facebook week** (and the week-end too!): here's a summary of news, hints and thoughts about the world's greatest social network.



Facebook shined in the past days in the news headlines and its IPO has been the buzzword not only among techno-geeks but die-hard Wall Street investors alike. Many events occurred and the aftermath is still hard to understand: for sure, Facebook, its stocks and its future will be engaging and thrilling most of us in the future, Mark's life changing so much (by the way, congratulations to Priscilla and you for the marriage!) and the social network arena at large.

Let's see some keypoints.

### **Facebook IPO**

Not exactly a **Like** from Facebook investors as the online social network's stock failed to live up to the hype in its trading debut Friday. One of the most anticipated IPOs in Wall Street history ended on a flat note, with Facebook's stock closing at \$38.23, up 23 cents from Thursday night's pricing (almost \$42). That meant the company founded in 2004 in a Harvard dorm room has a market value of about \$105 billion, more than Amazon.com, McDonald's and Silicon Valley icons Hewlett-Packard and Cisco.

It also gave 28-year-old CEO Mark Zuckerberg a stake worth \$19,252,698,725.50 (Source: Associated Press).

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And it was good for early investors in the company, who owned more than half the 421 million shares made available in the IPO. Had the stock shot to \$60 Friday morning, those early investors would have felt they hadn't gotten enough money for their stakes. The 421 million shares that were sold fetched \$16 billion and represented 15 percent of the company's stock. Facebook got \$7 billion, and the early investors \$9 billion. The other 85 percent of Facebook's stock is owned by Zuckerberg and other Facebook executives, employees and early investors. In comparison, Google offered just 7.2 percent of its stock when it went public in 2004. Its stock rose 18 percent on day one.



## Facebook Friday

Here was Facebook's "timeline" Friday, trading under the symbol "FB" on the Nasdaq Stock Market:

- the stock opened at 11:30 a.m. at \$42.05, but soon dipped to \$38.01.
- It briefly traded as high as \$45 and by noon was at \$40.40.
- It fluttered throughout the afternoon and hugged the \$38 mark for much of the final hour.
- It ended up closing at \$38.23.

By the end of the day, about 570 million shares had changed hands, a huge trading volume for any company.

TD Ameritrade reported that in the first 45 minutes of trading, Facebook 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 trades on the online brokerage.

## Why Bono got so happy (and rich) this week-end

That's right, U2's frontman Bono Vox: a private equity firm, in which the singer has been involved, owns a 2.3 percent stake in Facebook that is worth around \$1.5 billion.

Private equity firm Elevation Partners, which the U2 singer joined after it was created in 2004 by co-founders Roger McNamee and Marc Bodnick, owns a 2.3 percent stake in Facebook, which it bought for \$90 million in 2009 and now stands to make a handsome return.

Given the social media company is valued at over \$100 billion, this makes Elevation's stake

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worth more than \$1.5 billion.

It is unclear exactly how much of Elevation's gains from the IPO would go to Bono, but it may push his worth beyond that of McCartney's fortune of £665 million, it said.

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