

## Facebook shares now close to IPO price

SAN FRANCISCO, USA: Facebook shares on Tuesday, 30 July, almost climbed back to the US\$38 mark set at the opening of the initial public offering (IPO) from which they plunged after a dismal debut on the stock market last year.



Facebook stock reached US\$37.61 at the close of trading on the Nasdaq exchange after coming within five cents of reclaiming the original price.

The company's shares have been steadily rising since quarterly earnings figures released last week showed increasing revenues from members using smartphones or tablets.

Facebook shares fell amid doubts about the California-based company's ability to make money from members using mobile devices to get online.

The company has made a priority of following its more than one billion members onto smartphones or tablets. Facebook reported net income in the second quarter of US\$331m compared with a loss of US\$157m last year.

Revenue for the quarter ending 30 June climbed to US\$1.81bn, up 53% from the same period a year earlier. Some 41% of its advertising revenues came from mobile, compared with 30% in the prior quarter and virtually nothing a year ago.

### Impressive progress

Jefferies analyst Brian Pitz said these were impressive results that should ameliorate key investor concerns.

Facebook last year integrated ads into newsfeeds, whereas previously they had been segregated onto the right side of the screen and not visible on smartphones.

"News feed ads work," Facebook chief financial officer David Ebersman said during an earnings conference call with analysts. "Of Facebook's 1.15bn monthly users, 819m use a mobile device to access their pages. Moreover, of Facebook's 669m customers who use the site daily, 469m use a mobile device," said Ebersman.

Facebook on Tuesday (30 July) got into the business of publishing mobile games and offering developers help with going global on smartphone or tablet titles in exchange for a share of revenue.

The company has created Facebook Mobile Games Publishing pilot programme in which it will work with small or medium-sized developers and promote their work among the online community.

"Of the more than 800m people who use of the social network's mobile applications, about 260m play games on Facebook," said software engineer Victor Medeiros.

Along with mobile ads in the form of "promoted" posts, Facebook makes commissions for getting members to install applications made by independent developers.

Source: AFP via I-Net Bridge

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