

# Twitter IPO costlier than Facebook without profits

BLOOMBERG  
New York, 5 November

Twitter Inc is poised to price its initial public offering (IPO) at a valuation that makes it more expensive than Facebook Inc, a profitable rival with five times as many users.

Twitter on Monday boosted its IPO price to \$23 to \$25 a share, which would give the microblogging service a market capitalisation of \$13.6 billion at the top end of the range. That would value the company at 11.8 times its estimated 2014 sales, higher than the 11.4 times price-to-sales ratio for Facebook. San Francisco-based Twitter is already several times oversubscribed at \$25 a share and is set for a final offering price above that, people familiar with the situation said.

The price increase underscores how Twitter, which had a conservative IPO strategy relative to some internet peers, is starting to shed that approach. The company initially set a range that put it at a 27 per cent discount to Facebook on a price-to-sales basis, yet is now creating a higher bar for success by forcing prospective investors to pay an even larger premium for its promises of fast growth.

"A tech IPO like Twitter with no profit is an emotional event, not a fundamental event. You either believe or you don't," said Max Wolff, chief economist and strategist at ZT Wealth. "Above \$26, I think this thing starts to look a little dicey."

## Anti-Facebook IPO

Twitter previously took steps to avoid the hype that befell the IPOs of Facebook, Groupon Inc and Zynga Inc. Facebook, which raised its offering price range in the run-up to its IPO in May 2012, saw its shares lose more than half their value within three months of going public.

By contrast, Twitter filed its offering prospectus secretly

## Early Twitter investors double down on consumer web start-ups

REUTERS  
San Francisco, 5 November

For Twitter Inc's early venture capital backers, some of whom stand to make over 500 times their investment when the company goes public, now is a time not just to celebrate but increase their stakes in mobile and social media.

Take Bijan Sabet, the partner at Spark Capital who led his firm's investment in Twitter in 2008. At the time, according to a person familiar with the matter, Twitter was valued at \$100 million. This week, the company is seeking a valuation of up to \$13.6 billion in its initial public offering.

"Most of what I've been doing," Sabet said in a phone interview, "is being hyperfocused on consumer Web and mobile products."

That includes investing in some of the

same people who brought him Twitter. One of them was Lift, a mobile phone app that promotes positive habits, which grew out of the Obvious Corp, the incubator created last year by Twitter co-founders Biz Stone and Evan Williams.

In May, Sabet invested in Stone's latest venture, Jelly, which has not announced details of its business except that it plays into consumer- and mobile-oriented themes - and takes its inspiration from the brain of jellyfish.

"For the past 700 million years, this decentralized structure has been wildly successful," Stone wrote in a blog post about his new venture. Mike Maples, the managing partner of Floodgate Fund who invested \$25,000 in Twitter in 2007, when the company was valued at \$25 million, said he is developing a strong interest in what he calls programmable services.

with the Securities and Exchange Commission, spelled out more risk factors than Facebook, and picked a different lead banker. Goldman Sachs Group Inc is leading Twitter's offering, while Morgan Stanley led Facebook's.

Twitter also chose to list on the New York Stock Exchange, instead of the Nasdaq Stock Market where Facebook trades. It earlier set a price range of \$17 to \$20 a share.

Still, while Facebook was profitable when it went public, Twitter lost \$64.6 million in the September quarter, wider than the \$21.6 million a year earlier. The company, which doesn't give a target for profitability, isn't anticipated to make money until 2015, according to analysts' predictions compiled by Bloomberg.

Twitter has also been contending with slowing user growth. Its membership base, which stood at about 230 million people worldwide in

September, is a fifth of the size of Facebook's more than 1 billion users.

## Twitter case

In presentations to investors last week, Chief Financial Officer Mike Gupta gave Twitter's case for why it is a worthwhile investment. He forecast adjusted earnings excluding interest, taxes, stock-based compensation and other measures - known as adjusted Ebitda - to reach 40 per cent, up from 6 per cent in the third quarter. The company also projects gross margins in the high 70 per cent range, while Facebook's are in the low-to-mid

70s. Gabriel Stricker, a spokesman for Twitter, declined to comment.

For Twitter, there may be no better time to go public than this week. The company will debut on the stock market as the

Standard & Poor's 500 Index is near a record high and two other social-media stocks - Facebook and LinkedIn Corp - have each more than doubled in a year. IPOs are benefiting from the euphoria, as investors pushed the Bloomberg IPO Index to a record on Monday. That may help buyers overlook Twitter's losses and slowing user growth. It's reminiscent of 1998 when internet stocks surged before the market crash, according to Eric Jackson, president of Ironfire Capital LLC.

Twitter's "on the right side of the stock-market bubble, while it's still moving up," said Jackson, whose hedge fund focuses on technology companies and is interested in buying shares of Twitter. It's "another big IPO that helps the space continue its upward curve."

The equity rally is projected to pick up momentum through the year and lift the S&P 500 to the biggest annual increase since 1997, based on historical data compiled by S&P and Bloomberg. Federal Reserve policy makers said in a statement last week that it will keep

buying \$85 billion of bonds each month until "the outlook for the labor market has improved substantially."

"The most important difference between the sentiment today and 1999 is that we have almost a superstitious belief in the Federal Reserve and we have replaced dot-com with social plus mobile," Ian D'Souza, adjunct professor of venture capital and behavioral finance at New York University, said in an interview. "Twitter may be the psychological catalyst that can finally trigger a herd-like movement of retail into equity funds causing a momentum super-spike."

The climate for Web stocks is particularly hot, with the 77-member Bloomberg US Internet Index trading near the highest valuation relative to the S&P 500 since 2007, according to data compiled by Bloomberg.

Chief Executive Officer Dick Costolo has been on the road meeting investors for more than a week. Underwriters will stop taking orders at noon today in New York before setting the final price on Nov. 6, one person with knowledge of the matter said. At \$25 a share, Twitter would raise about \$1.75 billion in the sale, up from the previous \$1.4 billion it was seeking.

## IPO proceeds

Twitter will have 544.7 million shares of common stock outstanding after the IPO, the filing shows. Including restricted stock and options, Twitter will have about 694.8 million shares outstanding. By that measure, at the top end of the range Twitter would be valued at \$174 billion. Twitter has said it plans to use the proceeds of the IPO to grow its advertising business, where it posts 140-character messages into people's Twitter streams. The company also plans to invest in international expansion.

Twitter is betting it can expand its user base and target those people with advertising



## TOO EXPENSIVE?

Twitter on Monday raised the price range for its IPO to \$23-25, which increased its market capitalisation to \$13.6 billion at the top end of the range. That values the company, which is yet to make a profit, at 11.8 times its estimated 2014 sales, higher than the 11.4 times price-to-sales ratio for Facebook. A look at previous tech IPOs and Twitter's financials:

	Date	IPO size (\$ bn)	IPO price (\$)	Latest price (\$)	Returns since listing (%)	Current M-cap (\$ bn)
Facebook	Feb 2012	16.00	38	48.22	26.90	107.90
LinkedIn	Jan 2011	0.40	250	223.72	-10.50	29.50
Groupon	Jun 2011	0.80	20	10.57	-47.20	7.78
Zynga	Jul 2011	1.00	10	3.73	-62.70	2.45
Google	Apr 2004	1.90	85	1026.11	1107.20	296.00
Twitter	Nov 2007	1.95-2.12	23-25	NA	NA	NA

## Twitter revenue



## Net losses



## Annual revenue



## Net income/loss



Sources: Bloomberg, Reuters, NYT and companies

that cater to their interests. The company can map out what users are interested in based on who they follow.

Twitter is also touting its engagement with mobile users, where other Web companies

have struggled. About three-fourths of its active users accessed the service from mobile devices in the three months ended in September, compared with 69 per cent in the year-earlier period, according

to the filing. More than 70 per cent of advertising revenue comes from those devices, a higher proportion than Facebook. Some investors said they remain skeptical, especially following the price boost.

# SAC will be much smaller, but Cohen's impact could endure

REUTERS  
5 November

After settling criminal charges of insider trading, SAC Capital Advisors hedge fund could operate with as little as one fifth of its roughly 900 employees, but founder Steven A Cohen's personal fortune is big enough to keep him important on Wall Street.

The 57-year-old billionaire, often called his generation's greatest trader, has a taste for expensive objects from Jeff Koons and Pablo Picasso artwork to pianos in Connecticut and on New York's Long Island, all part of his \$9 billion fortune.

In the coming months Cohen will be reducing his \$14 billion hedge fund to a family office after prosecutors announced on Monday that SAC would plead guilty to insider trading charges and would no longer manage money for outside investors. Dozens of marketing and sales staff have already been let go and analysts and portfolio managers have left on their own as SAC has began quietly winding down, returning billions of dollars to investors. The firm's London office will be shuttered and other offices in the United States and Asia could be next.

"Although Steven Cohen still has a vast personal fortune, he will not require the services of hundreds of people or an international operation to manage just his portfolio," said Mark Rifkin, a partner at law firm Wolf Haldenstein Adler

Freeman & Herz. The knock-off effect could ripple through Fairfield County in Connecticut where many of Cohen's marketing, investor relations and human resources specialists live. While rival hedge fund managers in New York have said that SAC resumes are flooding Wall Street, they acknowledge that some potential employers worry about hiring someone from Cohen's operation just now. A plea deal that brings SAC's total fines and forfeitures to a total of \$1.8 billion could also be felt in the art world where Cohen has put Andy Warhol's painting of late Academy Award winning actress Elizabeth Taylor and other works up for sale. And it could be felt in the Stamford, Connecticut real estate market if Cohen should put his vast office building at 72 Cummings Point Road up for sale, as one person familiar with his fund has suggested. For a family office, including a much smaller group of investment professionals, Cohen would have no need for the 98,905-square-foot office building that he bought for \$19 million more than a decade ago.

**Less regulation**  
For Cohen there will be fewer regulatory headaches including the costly and time-consuming requirements of registering with the US Securities and Exchange Commission. But he will still have to file the quarterly ownership data required for investors of a certain size.

# Ukraine signs \$10-billion shale deal with Chevron

REUTERS  
Kiev, 5 November

Ukraine signed a \$10 billion shale gas production-sharing agreement with US energy major Chevron on Tuesday in the country's second such deal this year.

"It's been signed," Energy Minister Eduard Stavitsky told journalists, referring to a deal for exploration and extraction of shale gas at the Olesska field

in western Ukraine.

Last January, the ex-Soviet republic signed a deal with Royal Dutch Shell, at a similar level of investment, for exploration at Yuzivska in eastern Ukraine. Ukraine, through shale, offshore and liquefied natural gas development, aims to ease its dependence on costly natural gas imports from its main supplier, Russia, which weigh heavily on its economy.

**Ramkrishna Forgings Ltd.**  
Regd. Office: "Ramkrishna Chambers", 72, Shakespeare Sarani, Kolkata - 700017  
**NOTICE**  
Notice is hereby given that pursuant to Clause 41 of the Listing Agreement the Board Meeting has been pre-poned to be held on 14th November, 2013 instead of 15th November, 2013, to consider and approve the Unaudited Financial Results for the Quarter and the half year ended 30th September, 2013.

For Ramkrishna Forgings Limited  
Sd/- Rajesh Mundhra  
(Company Secretary)  
Place: Kolkata  
Date: 5th November, 2013

**KGK ENTERPRISES LIMITED**  
Regd. Office: 23, Vaswani Mansion, 4th Floor, Dinkhwa Vaccha Road, Opp.K.C.College, Churchgate, Mumbai - 400 020

**PUBLIC NOTICE**  
Pursuant to clause 41 of the Listing Agreement, Notice is hereby given that the meeting of the Board of Directors is scheduled to be held on Wednesday 13th November, 2013 to consider & take on record the Unaudited Financial Result of the Company for Quarter ended 30th September, 2013

By order of the Board  
FOR KGK ENTERPRISES LIMITED  
(ISMAIL MEMON)  
CHAIRMAN  
Place: MUMBAI  
Date: 06.11.2013

**CURA TECHNOLOGIES LIMITED**  
Plot No.12, Software units Layout, Cyberabad, Hyderabad - 500 081, www.curattechnologies.com.in  
**NOTICE**

Notice is hereby given that in terms of Clause 41 of the Listing Agreement, a meeting of the Board of Directors of the Company will be held on Tuesday, 12th November, 2013 at 3.00 P.M. at its Registered Office, inter alia, to consider and approve the unaudited financial results of the Company for the Second Quarter ended 30th September, 2013.

By order of the Board  
For CURA TECHNOLOGIES LIMITED  
Sd/-  
G. BALA REDDY  
MANAGING DIRECTOR  
Place: Hyderabad  
Date: 05.11.2013

**KGK INDUSTRIES LIMITED**  
Regd. Office: 23, Vaswani Mansion, 4th Floor, Dinkhwa Vaccha Road, Opp.K.C.College, Churchgate, Mumbai - 400 020

**PUBLIC NOTICE**  
Pursuant to Clause 41 of the Listing Agreement, Notice is hereby given that the meeting of the Board of Directors is scheduled to be held on Wednesday 13th November, 2013 to consider & take on record the Unaudited Financial Result of the Company for Quarter ended 30th September, 2013.

By order of the Board  
FOR: KGK INDUSTRIES LIMITED  
(DEEPAK RAVAL)  
CS & COMPLIANCE OFFICER  
Place: MUMBAI  
Date: 06.11.2013

**MEGASOFT LIMITED**  
Regd. Office: No.85, Kutchery Road, Mylapore, Chennai 600 004.

**NOTICE**  
A Meeting of the Board of Directors of the Company will be held on Wednesday the 13th day of November 2013 to consider and take on record the Unaudited Financial Results of the Company and the Group (consolidated) for the third quarter and 9-month period ended 30th September 2013, in terms of Clause 41 of the Listing Agreement, amongst other things.

for MEGASOFT LIMITED  
Date: Chennai  
GP Srinath  
Date: November 4, 2013 Company Secretary

**KISAN MOULDINGS LTD.**  
Regd. Office: "Tex Centre", 'K' Wing, 3rd Floor, 26'A, Chandivil Road, Near HDFC Bank, Off Sakinaka Road, Andheri (E), Mumbai - 400 072.

**NOTICE**  
Notice is hereby given that pursuant to Clause 41 of the Listing Agreement, Meeting of the Board of Directors of the Company will be held on **Thursday 14th November, 2013** inter alia, to consider, approve and take on record the Un-audited Financial Results for the quarter ended **30th September, 2013**, amongst other matters.

For Kisan Mouldings Limited  
Sd/-  
Satish J. Aggarwal  
Managing Director  
Place: Mumbai  
Date: 06.11.2013

**IMPEX FERRO TECH LTD.**  
Regd. Office: 35, C. R. Avenue, Kolkata - 700 012  
Corp. Office: 132A, S. P. Mukherjee Road, Kolkata - 700 026

**NOTICE**  
Notice is hereby given pursuant to Clause 41 of the Listing Agreement executed with the Stock Exchanges, that a meeting of the Board of Directors of the Company previously scheduled to be held on Wednesday, 6th November, 2013, at Kolkata, inter alia, to consider and approve the Unaudited Financial Results for the quarter ended 30th September, 2013 is being rescheduled to be held on Tuesday, 12th November, 2013, at Kolkata.

For Impex Ferro Tech Limited  
Sd/-  
Date: 04.11.2013 Mamata Chakraborty  
Place: Kolkata (Company Secretary)

**ONTRACK SYSTEMS LIMITED**  
Corporate Office: Y-18, EP-Block, Sector-V, Salt Lake, Kolkata-700091, India  
Phone No: +91-33-71017500  
Website: www.ontrackindia.com

**NOTICE**  
Notice is hereby given that pursuant to Clause 41 of the Listing Agreement with the Stock Exchanges, a meeting of the Board of Directors of the Company will be held on Thursday, 14th November, 2013 at 12.30 PM at Conference Room of the Corporate Office, Y-18, EP-Block, Sec-V, Salt Lake, Kolkata 700091 to consider inter-alia and take on record the Unaudited Financial Results of the Company for the Qtr. ended 30.09.2013.

On behalf of the Board  
B. Hari  
Chairman  
Regd. Office: Bhatat Towers, Office No.1, 3rd Floor, No. 30, West Cott Road, Royapettah, Chennai-600014, India

**ARSS INFRASTRUCTURE PROJECTS LIMITED**  
Regd. Office: Sector -A, Zone - D, Plot No. 38, Mancheswar Industrial Estate, Bhubaneswar-751010

**NOTICE**  
NOTICE is hereby given that pursuant to Clause 41 of the Listing Agreement with Stock Exchange(s) that a meeting of the Board of Directors of the Company has been scheduled to be held on Wednesday, the 13th of November, 2013 to consider and take on record the Un-Audited Financial Results for the second quarter ended on 30th September, 2013 and to transact other routine business.

By Order of the Board  
For ARSS Infrastructure Projects Limited  
(Sushanta Pradhan)  
Company Secretary  
Place: Bhubaneswar  
Date: 02.11.2013

**MANJUSHREE TECHNOPACK LIMITED**  
Regd. Off: #60E & F, Bommasandra Indl. Area, Hosur Rd, Bangalore - 560 099.

**NOTICE**  
Notice is hereby given pursuant to clause 41 of the listing agreement that the Board Meeting of the Company shall be held on **Monday, the 11th November 2013 at 11.00am** at its Registered Office to consider and approve, inter alia, the Unaudited Financial Results of the Company for the Quarter / Half Year ended September 30, 2013.

Basant Kumar Mohta  
Company Secretary  
Date: October 30, 2013  
Place: Bangalore

**BIHAR SATAE POWER HOLDING COMPANY LIMITED DEPARTMENT OF STORES & PURCHASE NOTICE INVITING TENDER (Through e-procurement mode only-www.eproc.bihar.gov.in)**  
Online tenders are invited by Bihar State Power Holding Company Ltd for procurement of Tx-Rx Featured GPRS Compliant MODEM as per following details -

S/N	NIT No.	Name of material	Quantity	Tender Cost (Rs)	Estimated Cost (Rs)	Earnest Money (Rs.)	Last date & time of Submission of Tender	Due date & time for opening Bid Part 1
1	416/PR/BSPHCL/2013	Supply and Installation of Tx-Rx Featured GPRS Compliant MODEM for Remote Meter Reading (RMR)	2006 Nos.	15,618/-	1.60 Crore	3,20 Lakhs	20.11.2013 up to 15.00 Hrs.	21.11.2013 at 15.00 Hrs.

Period of Sale / Request of Bid / e-Form documents : From 29.10.2013 upto 13.00 Hrs. of 20.11.2013 through website www.eproc.bihar.gov.in. Original DD as Cost of BOQ & EMD will be deposited to Sr. Manager of Finance & Accounts, BSPHCL at least 1 (one) hour before opening of the Technical Bid. Date of opening of price part will be notified after Technical Bid Evaluation at www.eproc.bihar.gov.in  
Electrical Superintending Engineer (S&P)

While participating in e-tendering process, the contractor shall have to get them registered to get user ID, Passwords and digital signature. This will enable them to access the website: www.eproc.bihar.gov.in only.

For compliance regarding corruption vigilance helpline No. 9431821485, 06122504969 Consumer can deposit electricity bills via Sahaz Vasudha Centre or via bsebill.org. e-Tendering introduced in BSPHCL for tenders above Rs. 25 lacs. For registration log on to www.eproc.bihar.gov.in and e-procurement Helpdesk First Floor, M/22 Bank of India Building, Road No - 25, Sri Krishna Nagar, Patna - 800001 at 0612-2523006, Mob: 9939035696.

स्वाहित एवं राष्ट्रहित मे ऊनी बचाव

**STEEL AUTHORITY OF INDIA LIMITED Rourkela Steel Plant Rourkela - 769 011, Odisha, India**

Ref No. Mktg./FA/13-14/172-198 Dated: 24.10.2013  
SALE OF MATERIALS THROUGH ON-LINE FORWARD AUCTION DURING NOV2013.

The following materials will be auctioned through website <https://auction.metaljunction.com> by our service provider M/s.mjunction services limited on 'as is where is basis' and 'no complaint basis'.

Iron & Steel items consisting Def. CR coils, Def.HR Coils, Saleable GP/GC scrap, Def.Plates, CR Coil Ends, CR/HR Sheet cuttings, Def. CRNO, Pipe end cuttings and scrap pipes etc

Auction Ref No: FA/13-14/ 172-179  
Date of FA: 05.11.2013, 12.11.2013, 19.11.13, 26.11.13

Coal Chemical Items, Coal Dust  
Auction Ref No.: FA/13-14/ 180-181 Date of FA: 12.11.2013, 26.11.13

Used/rejected Steel/ Adomite/ Cast Iron Rolls of various sizes & weights  
Auction Ref No.: FA/13-14/ 182-183 Date of FA: 08.11.13, 22.11.13

Iron & steel & non-ferrous scrap, used/rejected drums of different sizes, plastic jars, motors, batteries of assorted sizes, S.S. Scraps, Rubber Scraps, Conveyor belts and other, miscellaneous scrap items. Various unserviceable small asset items such as vehicles/material handling equipments, Lab equipments, motors, of various sizes, etc. Zinc Dross Ash, Zinc Dross (bottom), other misc. unserviceable items and obsolete/ surplus items lime absorbents rings etc.

Auction Ref No.: FA/13-14/ 184-189 Date of FA: 15.11.13, 29.11.13

ASU-IV of TOP-I, GE Loco, Hardness Testing Machine & other Idle Assets.  
Auction Ref No.: FA/13-14/ 190-198 Date of FA: 15.11.13, 29.11.13

Further details are available at Website. You can also contact Phone Nos. of M/s. mjunction services limited ROURKELA: 0661-6514142 / 07894078046, KOLKATA: 033-66106314/ 033-66106071 / 09163348254 / 09163348124, DELHI: 011 - 65413288 / 09560599972, CHENNAI: 09677120585, MUMBAI: 0773825479, BHILAI: 0788-2227136 / 09009557861, BOKARO: 09234364358 / 09771475259, DURGAPUR: 0433-6510185 / 09163348127, BURNPUR: 09163348128, KANPUR: 011-64577845 / 09794002353, GANDHIDHAM: 09662531370, LUDHIANA: 09216960169, JAMSHEDPUR: 0657-6519990 / 09771434248 & RAIGARH: 07869912760.

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Registered Office: Ispat Bhawan, Lodi Road, New Delhi 110 003  
There's a little bit of SAIL in everybody's life