

# Facebook Inc

08:52 26 Mar 2014

## Facebook to acquire virtual reality firm Oculus VR for \$2 bln

Facebook Inc. (NASDAQ:FB), the world's largest social network, said it will buy Oculus VR Inc., a maker of virtual-reality glasses for gaming, for \$2 billion.

Facebook agreed to pay \$400 million in cash and 23.1 million shares for Oculus, as well as an additional \$300 million if the two-year startup achieves certain milestones, the Menlo Park, California-based company said in a statement yesterday. The deal is expected to close in the second quarter.

Facebook, betting that a virtual-reality headset will one day become the center of its users' social lives, is investing in wearable hardware for the first time and stepping into a race with Google Inc. (NASDAQ:GOOG).

"The history of our industry is that every 10 or 15 years there's a new major computing platform, whether it's the PC, the Web or now mobile," Facebook co-founder and Chief Executive Officer Mark Zuckerberg said in a conference call yesterday.

"We're making a long-term bet that immersive, virtual and augmented reality will become a part of people's daily life," Zuckerberg said, noting that wearing the Oculus goggles was "different than anything I've ever experienced in my life."

Irvine, California-based Oculus makes a ski-goggles-like device called Rift, now used for playing games, which eventually could immerse people in experiences like classes and sport events.

"Imagine enjoying a court side seat at a game, studying in a classroom of students and teachers all over the world or consulting with a doctor face-to-face - just by putting on goggles in your home," the 29-year-old Zuckerberg said.

Facebook said Oculus has received more than 75,000 pre-orders for second-generation development kits for the headset at \$350 apiece. The kits are to ship in July.

Wearable devices could represent the next big platform shift. Google has been testing Google Glass, a stamp-sized electronic screen mounted to a pair of eyeglasses for several years. Last week, it introduced an effort to develop computerized wristwatches.

Shares of Facebook, which have risen 19 percent this year, were wavering between gains and losses in pre-market trading today. They closed up 1.2 percent at \$64.89 in New York yesterday.

The Oculus transaction follows a spate of acquisitions that Facebook has used to build up its mobile business. Last month, the company agreed to acquire messaging application WhatsApp Inc. for \$19 billion. In 2012, Facebook bought mobile photo-sharing program Instagram for about \$700 million.

**Price:** 276.97

**Market Cap:** \$788.89 billion

### 1 Year Share Price Graph



### Share Information

**Code:** FB

**Listing:** NASDAQ

<b>52 week</b>	<b>High</b>	<b>Low</b>
	304.67	137.11

**Sector:** Online business & e-commerce

**Website:** www.facebook.com

### Company Synopsis:

*When it comes to social networking, it's wise to put your best face forward. Facebook, the social networking juggernaut, lets users share information, post photos and videos, play games, and otherwise connect with one another through online profiles.*

action@proactiveinvestors.com



Proactive Investors facilitate the largest global investor network across 4 continents in 4 languages. With a team of analysts, journalists & professional investors Proactive produce independent coverage on 1000's of companies across every sector for private investors, private client brokers, fund managers and international investor communities.

Contact us +44 (0)207 989 0813 [action@proactiveinvestors.com](mailto:action@proactiveinvestors.com)

### No investment advice

The Company is a publisher. You understand and agree that no content published on the Site constitutes a recommendation that any particular security, portfolio of securities, transaction, or investment strategy is suitable or advisable for any specific person. You understand that the Content on the Site is provided for information purposes only, and none of the information contained on the Site constitutes an offer, solicitation or recommendation to buy or sell a security. You understand that the Company receives either monetary or securities compensation for our services. We stand to benefit from any volume which any Content on the Site may generate.

You further understand that none of the information providers or their affiliates will advise you personally concerning the nature, potential, advisability, value, suitability or profitability of any particular security, portfolio of securities, transaction, investment, investment strategy, or other matter.

You understand that the Site may contain opinions from time to time with regard to securities mentioned in other products, including Company-related products, and that those opinions may be different from those obtained by using another product related to the Company. You understand and agree that contributors may write about securities in which they or their firms have a position, and that they may trade such securities for their own account. In cases where the position is held at the time of publication and such position is known to the Company, appropriate disclosure is made. However, you understand and agree that at the time of any transaction that you make, one or more contributors may have a position in the securities written about. You understand that price and other data is supplied by sources believed to be reliable, that the calculations herein are made using such data, and that neither such data nor such calculations are guaranteed by these sources, the Company, the information providers or any other person or entity, and may not be complete or accurate.

From time to time, reference may be made in our marketing materials to prior articles and opinions we have published. These references may be selective, may reference only a portion of an article or recommendation, and are likely not to be current. As markets change continuously, previously published information and data may not be current and should not be relied upon.

The Site does not, and is not intended to, provide investment, tax, accounting, legal or insurance advice, and is not and should not be construed as providing any of the foregoing. You should consult an attorney or other relevant professional regarding your specific legal, tax, investment or other needs as tailored to your specific situation.