

Facebook Inc

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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.

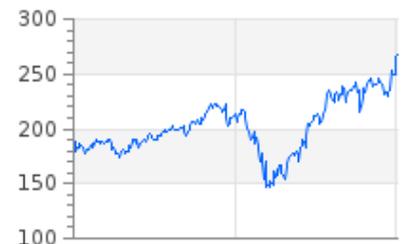
Shares of Facebook, which have risen 19 percent this year, were wavering between gains and losses in pre-market trading today. They closed up 1.2 percent at \$64.89 in New York yesterday.

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: 263

Market Cap: \$749.38 billion

1 Year Share Price Graph



August 2019 February 2020 August 2021

Share Information

Code: FB

Listing: NASDAQ

52 week	High	Low
	278.88	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.

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