




The New Class of Billionaires !

By ROBERT FRANKMARKETS/MAY 6, 2011

\$12 billion  Mark Zuckerberg Facebook, CEO and founder Facebook has yet to go public, but private investments value the company at more than \$50 billion.	\$10 billion  Hansjörg Wyss Synthes, CEO Johnson & Johnson's deal to acquire the medical-equipment maker puts a rich value on the stake held by the Synthes CEO and his family.	\$9.5 billion  Ivan Glasenberg Glencore, CEO Mr. Glasenberg owns 15.8% of Glencore, which could be valued at up to \$60 billion after its IPO.
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Giant initial public offerings and a surge in mergers and acquisitions are spawning a new generation of billionaires and millionaires.

The eight biggest global IPOs launched since January have a combined corporate value of

\$75 billion creating billions of dollars in wealth for founders and shareholders.

Even on its own, the initial public offering of Glencore International AG will likely create six billionaires, marking the start of a new global wealth boom driven by rising financial markets and tech-sector euphoria.

The deals and IPOs mark the official return of the "liquidity event"—a one-time windfall of cash that rains down on company founders or shareholders when they sell their stake. Liquidity events were common during the dot-com bubble of the late 1990s and the real-estate boom of the 2000s, when dot-com founders like Steve Case of AOL Inc. or later mortgage giants like Herbert and Marion Sandler cashed out of their companies for billions.

After the 2008 financial crisis, however, big liquidity events largely evaporated. While the latest wave is highly concentrated among a handful of social-networking, commodity and internet oriented companies, it's likely to spread to other industries as long as financial markets and economies continue to strengthen.



"The liquidity event is back, especially for these emerging technology companies," said George Walper, president of The Spectrem Group, a wealth research firm. **In the U.S., technology companies are restarting the wealth engine, especially consumer oriented Web companies.**



Twitter late last year raised private money that valued the firm at at \$3.7 billion, giving the three founders paper wealth totaling hundreds of millions of dollars. And Groupon, the internet coupon company, has held IPO talks that would value the firm as high as \$25 billion.

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LinkedIn IPO Sizzles

By STU WOO And LYNN COWAN

LinkedIn Corp.'s initial public offering is becoming a spectacle for Silicon Valley start-ups and investors, providing the first test of whether the public markets can sustain the soaring private-market valuations...

The early signs are that public investors are ready and willing. On Tuesday, LinkedIn raised the expected offering price range for its shares to between \$42 and \$45 a share, up from its previous price range of \$32 to \$35 a piece. The higher offering price puts the valuation of the Mountain View, Calif. company at more than \$4 billion, up from about \$3.3 billion previously.



How LinkedIn's IPO performs on Thursday after it sets its offering price Wednesday night could signal the market's appetite for IPOs from other social-oriented Web companies, such as Facebook Inc., Twitter Inc., Zynga Inc. and Groupon Inc. Each has been in the grip of a recent private-market frenzy, with venture capitalists and other investors driving up their valuations in multiple financing rounds.

None of those Web companies have registered for an IPO. Still, Facebook has said it will begin financial disclosures by next year and Groupon has been in discussions with bankers about a possible IPO, people familiar with the matter have said.

LinkedIn...founded in 2002 by entrepreneurs including Reid Hoffman and funded by venture-capital firms including Bessemer Venture Partners, Sequoia Capital and Greylock Partners, the site allows people to post resumes and exchange messages and information with friends, colleagues and business contacts. LinkedIn makes most of its money from businesses that pay fees to recruit and to advertise their company. It claims more than 100 million subscribers worldwide.

Venture investors said they are encouraged by LinkedIn's impending public market debut. "It's a really significant step in the sense that we're coming back to the IPOs of the early 2000s," said Aydin Senkut, a LinkedIn investor and founder of Felicis Ventures. **The difference between then and now, he said, is that companies preparing to go public today have better track records and more significant revenue....**

Initial public offerings keep coming... even though the markets have gotten choppier.



LinkedIn's Reid Hoffman, left, & Jeff Weiner, center, at the May IPO.

Here's How to Stack the Odds in Your Favor!

LinkedIn Corp.'s smash debut on May 19 whetted investors' appetites for IPOs to a degree unseen since the 1990s—and encouraged others to follow suit. Online-coupon outfit Groupon Inc. and telecommunications company Avaya Inc. have since filed to go public, while Internet radio service Pandora Media Inc. on Friday boosted the number of shares it will sell and raised the price.

So why bother with IPOs at all? Because investors who pick the right companies can do well over the long term... having earned 426% on their original investment.

More big U.S. deals are in the works. On June 2, Groupon filed for an IPO worth \$750 million while Avaya filed for a \$1 billion deal on June 9. Still to come are the big kahunas of the social-networking sector, Zynga Inc., Twitter Inc. and Facebook Inc., which are expected to go public later this year or in 2012. All told, 69 companies have debuted this year in the U.S. through the end of May, up from 52 during the same period in 2010 and just 63 in all of 2009, according to investment adviser Renaissance Capital. The dollar amount of IPOs this year has more than tripled to \$23.9 billion from the same period in 2010.



Waiting in the Wings

Avaya: The private-equity parents of telecom-equipment manufacturer Avaya have filed for an IPO that could value the company at about \$5 billion.

Groupon: Online-deal site Groupon, founded in 2008 and estimated to be worth \$12.7 billion, should go public in a matter of months.

Facebook: The most anticipated of the social-media highfliers, Facebook is estimated to be worth \$77.8 billion.

Twitter: The company that helped tarnish a congressman could be worth \$8.4 billion if it goes public this year.

Zynga: Online-gamer Zynga is estimated to be worth \$19 billion, and may file for an IPO in the next few months.

Netword® is following the same course, positioning itself for a potential IPO. The patented technology that **Netword®** is proliferating, paves the way for on-line advertising via its unique, live-search resolutions approach to key-word advertising via natural language navigation.