

Facebook's Value Swells After New Investment

Facebook has been valued at nearly as much as web veterans Yahoo and eBay combined, after a cash injection from Goldman Sachs and Digital Sky Technologies. The £32.2bn (\$50bn) valuation comes after the two financial institutions invested £322m in the social networking website.

The US bank put in £290m while the Moscow-based investment firm added £32m. Digital Sky Technologies (DST) previously invested £192m in Facebook, when the company was worth one-fifth its current value in 2009.

Goldman Sachs and DST plan to raise an additional £646m (\$1bn) for the technology company, according to a Reuters source.

Its success over social networking rivals such as Twitter has been attributed to the way it allows advertisers to reach target audiences.

David Smith from the Interactive Media in Retail Group told Sky News: "Facebook in itself becomes almost like a walled garden.

"Particularly in our industry, in retail, you've got lots and lots of retailers using Facebook to communicate with their consumers."

Internet retailer Amazon has 488,570 followers on its Page.

Despite saying it has no interest in a flotation until late 2012, the deals have raised questions on the Silicon Valley firm being forced to list on the stock exchange.

This is because US financial regulations require that firms with 500 or more shareholders file as public companies with the Securities and Exchange Commission.

Analysts say this threshold will be reached through the fund Goldman Sachs will create to allow clients to invest in the technology firm.

Facebook overtook search engine Google to become the most visited website in the US in 2010 and was also the most-searched term, according to Experian Hitwise.

The social networking site, which has half a billion users, was started by 19-year-old Harvard student Mark Zuckerberg in 2004.

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Goldie Momen Putrym, **Sky News Online**