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Mark Zuckerberg and CFO David Ebersman debate acquisition strategy

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- from: Mark Zuckerberg ([REDACTED])
- to: David Ebersman([REDACTED]), Mark Zuckerberg([REDACTED]),
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- body

One business questions I've been thinking about recently is how much we should be willing to pay to acquire mobile app companies like Instagram and Path that are building networks that are competitive with our own. These companies have the properties where they have millions of users (up to about 20m at the moment for Instagram), fast growth, a small team (10-25 employees) and no revenue. The businesses are nascent but the networks are established, the brands are already meaningful and if they grow to a large scale they could be very disruptive to us. These entrepreneurs don't want to sell (largely inspired our success), but at a high enough price -- like \$500m or \$1b -- they'd have to consider it. Given that we think our own valuation is fairly aggressive right now and that we're vulnerable in mobile, I'm curious if we should consider going after one or two of them. What do you think about this?

[Note: This document is from the House Judiciary Antitrust Subcommittee.]