

## Skype Readies \$100M IPO

Andrew Berg

VoIP provider Skype yesterday announced that it has filed a Form S-1 registration statement with the Securities and Exchange Commission (SEC) for a proposed initial public offering (IPO) of its ordinary shares.

Skype approximated the value of the offering at \$100 million.

According to a press release, the number of shares to be offered and the price range for the offering have not yet been determined, but the Luxembourg-based company intends to list on the Nasdaq stock market.

Goldman, Sachs & Co., J.P. Morgan Securities and Morgan Stanley & Co. will be the joint global coordinators as well as joint book-running managers for the offering.

eBay currently owns 30 percent of Skype, having recently sold 56 percent of the company to a private investment group led by Silver Lake. The remaining 14 percent of Skype went to Joltid, a company established by Skype's founders, Niklas Zennstrom and Janus Friis.

According to a filing with the FCC, Skype paid almost \$344,000 in a settlement that it and eBay reached with Joltid regarding the use of peer-to-peer technology.

Skype recorded a gross profit for the first quarter of 2010 of \$206,350. That was up from gross profits of \$163,700 for the same quarter 2009.

Skype currently registers about 560 million users, but in its filing shows that only about 8 million of those users pay to use the service. The company shows that it is averaging about 124 million new users per month.

According to its SEC filing, Skype will focus on increasing its business users as a key point to its strategy going forward. Skype's recently launched Skype for Business products include: Skype Manager, which allows businesses to manage Skype accounts for their employees, and Skype Connect, which allows businesses to connect their private telephone branch exchange (PBX) over the Internet to Skype's peer-to-peer user network.

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