

Twitter says co-founders, Costolo have no plans to sell shares

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By Bloomberg

Twitter Inc. said co-founders Jack Dorsey and Evan Williams and Chief Executive Officer Dick Costolo have no immediate plans to sell shares, seeking to temper concern that its stock will soon flood the market.

Venture capital firm Benchmark, which owns about 5% of Twitter, also has “no present intention” to sell or distribute stock before or right after the May 5 expiration of a share lockup, the San Francisco-based company said today in a filing with the US Securities and Exchange Commission.

The microblogging service held its initial public offering on Nov. 6. After almost tripling in value in their first seven weeks on the market, peaking on Dec. 26, shares have dropped 45% amid slowing user growth and a broader slump in technology stocks. Twitter said in February that monthly active users in the fourth quarter rose 30% from a year earlier to 241 million, slowing from 39% in the prior period.

If the executives decide to sell, they’re required to enter into and follow a trading plan that complies with SEC rules, Twitter said today. Under the company’s policies, the earliest the three executives could sell would be 90 days after the next open trading window, according to the filing.

Twitter shares rose 1.8% to US\$40.76 at 9:43 a.m. in New York. Williams owns 9.4% of the company he co-founded in 2006, while Dorsey holds 4%, according to another filing last week. Costolo owns 1.4% of the shares.

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