

eBay Inc. and MercExchange, L.L.C. Reach Settlement Agreement

San Jose, Calif. – Feb. 28, 2008 – eBay Inc. (Nasdaq: EBAY; www.ebay.com) announced today that it has agreed to a settlement with MercExchange, L.L.C. to dismiss all claims and appeals stemming from the patent lawsuit filed by MercExchange in September of 2001. eBay Inc. and MercExchange had been engaged in litigation over MercExchange’s patents and eBay’s online auctions and fixed price-related ecommerce operations.

As part of the settlement, eBay will purchase all three patents involved in the lawsuit, as well as some additional related technology and inventions and a license to another search-related patent portfolio that was not asserted in the lawsuit. These assets will allow eBay to further enhance its operations and trust and safety efforts on its ecommerce sites.

“We’re pleased to have been able to reach a settlement with MercExchange,” said Mike Jacobson, eBay Senior Vice President and General Counsel. “In addition to resolving the litigation, this settlement gives us access to additional intellectual property that will help improve and further secure our marketplaces.”

Further terms of the settlement are confidential and were not disclosed. eBay Inc. does not expect the settlement to affect its 2007 results or its 2008 financial guidance issued in conjunction with its fourth quarter earnings release announced on January 23, 2008.

About eBay Inc.

Founded in 1995, eBay Inc. connects hundreds of millions of people around the world every day, empowering them to explore new opportunities and innovate together. eBay Inc. does this by providing the Internet platforms of choice for global commerce, payments and communications. Since its inception, eBay Inc. has expanded to include some of the strongest brands in the world, including eBay, PayPal, Skype, Shopping.com and others. eBay Inc. is headquartered in San Jose, California.

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