



eBay to Acquire India's Baazee.com

San Jose, Calif. and Mumbai, India, June 22 , 2004 - eBay, The World's Online Marketplace (Nasdaq: EBAY; www.ebay.com), today announced that it has agreed to acquire Baazee.com, Inc. and its subsidiary Baazee.com India Pvt. Ltd., the largest online marketplace in India. The acquisition is expected to close in the third calendar quarter of 2004.

The agreement will allow eBay to expand its global footprint into the nascent but growing Indian market. In turn, Baazee.com will use its new relationship with eBay to further develop its business and strengthen its position in India's e-commerce market. The combination of Baazee.com and eBay will allow buyers and sellers in India and around the world to gain access to a broader range of choice and convenience.

Based in Mumbai, Baazee.com offers a diverse online marketplace for a range of buyers and sellers throughout India. Baazee.com currently has more than one million confirmed registered users who trade in a wide range of categories from consumer electronics and computers, to home decor and jewelry.

"Our relationship with Baazee.com is another important step in the growth of eBay's global marketplace," said Meg Whitman, President and CEO of eBay. "Although it's early days for e-commerce in India, we believe there is great opportunity over the long term. Baazee.com's strong management team and solid focus on its community make it a natural fit with eBay."

"Our partnership with eBay validates Baazee.com's business model and position in the industry," said Avnish Bajaj, Chairman and Co-CEO of Baazee.com. "Our local expertise combined with eBay's global perspective will allow us to take e-commerce in India to the next level."

"We built Baazee.com to change the way people buy and sell goods in India," said Suvir Sujana, Co-CEO of Baazee.com. "Becoming part of eBay will allow us to provide even greater economic opportunity for our community of users."

A young market in terms of e-commerce adoption, India's Internet penetration is growing steadily. There are currently 17 million Internet users in India, and that number is expected to grow to more than 30 million in 2006, according to IDC's Internet Commerce Market Model, January 2004.

eBay will acquire all outstanding shares of Baazee.com, Inc. for approximately US\$50 million, plus acquisition costs and post-signing adjustments. eBay does not expect the acquisition to have a material impact on 2004 net revenue and earnings per share, and does not expect it to affect eBay's financial guidance as issued in connection with its first quarter earnings release on April 21, 2004.

About Baazee.com

Baazee.com India Pvt. Ltd is a subsidiary of Delaware based Baazee.com, Inc., and started its operations in India in January 2000. Headquartered in Mumbai, Baazee is India's biggest marketplace where anyone can sell or buy almost anything. Baazee has a strong and growing community of 1 million confirmed registered users who trade in a wide range of thousands of item categories including Electronics, Cameras, Phones, Computers, Movies, Mobiles, Fashion, Music, Home, Toys and Travel. Through a world class technology infrastructure Baazee enables & simplifies e-commerce for India's burgeoning online community.

About eBay

eBay is The World's Online Marketplace®. Founded in 1995, eBay created a powerful platform for the sale of goods and services by a passionate community of individuals and businesses. On any given day, there are millions of items across thousands of categories for sale on eBay. eBay enables trade on a local, national and international basis with customized sites in markets around the world. Through an array of services, such as its payment solution provider PayPal, eBay is enabling global e-commerce for an ever growing online community.

Forward-Looking Statements

This announcement contains forward-looking statements that involve risks and uncertainties. Actual results could differ materially from those discussed. Factors that could cause or contribute to such differences include, but are not limited to, the reaction of the users and suppliers of Baazee.com to the transaction, the future growth of Baazee.com's services, the reaction of competitors and regulatory authorities to the transaction, foreign currency exchange rate fluctuations, and political, economic, and security developments in, or affecting, India. The closing of the transaction is

subject to certain closing conditions. More information about potential factors which could affect eBay's business and financial results is included in the company's Annual Report on Form 10-K for the year ended December 31, 2003, and the company's Quarterly Reports on Form 10-Q. All forward looking statements are based on information available to eBay on the date hereof, and the company assumes no obligation to update such statements.

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