

Q4 2006 Financial Highlights

January 24, 2007



This presentation contains non-GAAP measures relating to the company's performance. You can find the reconciliation of those measures to the nearest comparable GAAP measures in the appendix at the end of this presentation.

This presentation may contain forward-looking statements regarding matters that involve risk and uncertainty, including those relating to the company's ability to grow its businesses, user base and user activity. Our actual results may differ materially from those discussed in this presentation for a variety of reasons, including our increasing need in established markets to grow revenues from existing users as well as from new users; an increasingly competitive environment for our businesses; the complexity of managing a growing company with a broad range of businesses; regulatory, tax, and IP and other litigation risks (including risks specific to PayPal and the financial industry, and risks specific to Skype's technology and to the VoIP industry); our need to upgrade our technology and customer service infrastructure to accommodate growth at reasonable cost while adding new features and maintaining site stability; foreign-exchange-rate fluctuations; and the impact and integration of recent and future acquisitions.

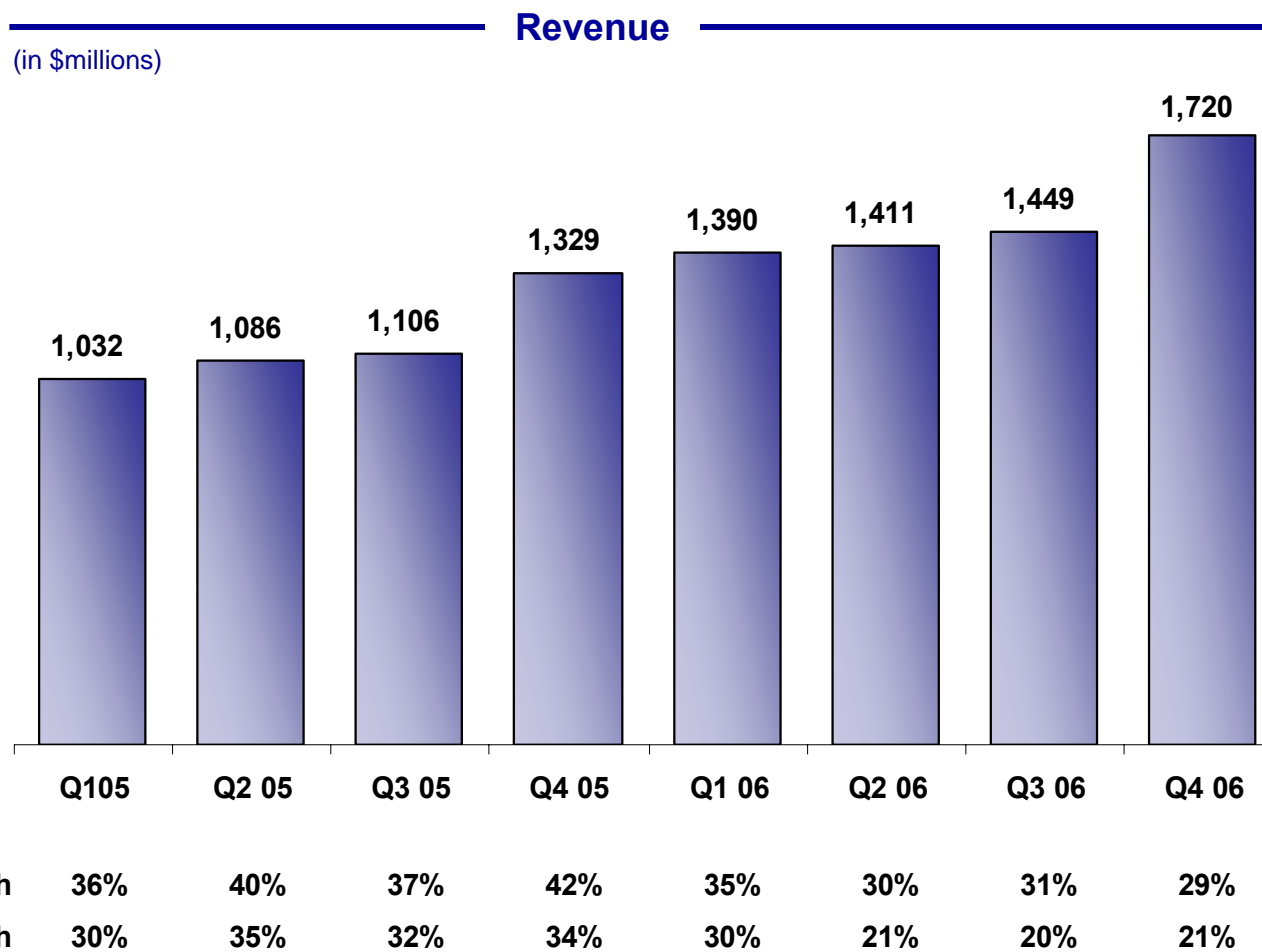
You can find more information about factors that could affect our results in our annual report on our Form 10-K and our quarterly reports on Form 10-Q (available at <http://investor.ebay.com>). You should not unduly rely on any forward-looking statements. All information in this presentation is as of January 24, 2007, and we do not intend, and undertake no duty, to update this presentation.

Q4 06 Financial Summary

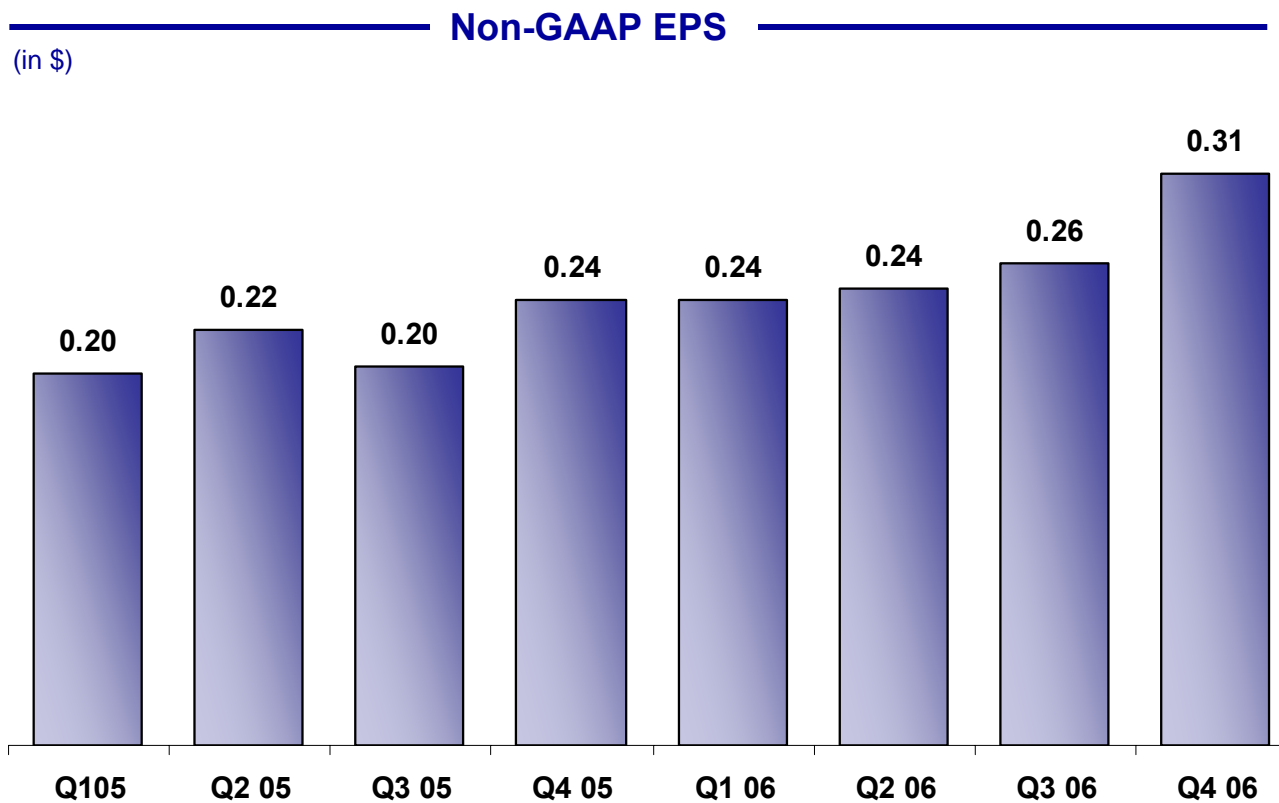
Great fourth quarter ...

- Strong revenues, earnings and free cash flows
- Good GMV and TPV growth
- Strong performances from our non-GMV businesses
- Repurchased nearly 31 million shares for ~\$1 billion in Q4

Q4 06 Summary ... Strong Top Line Growth

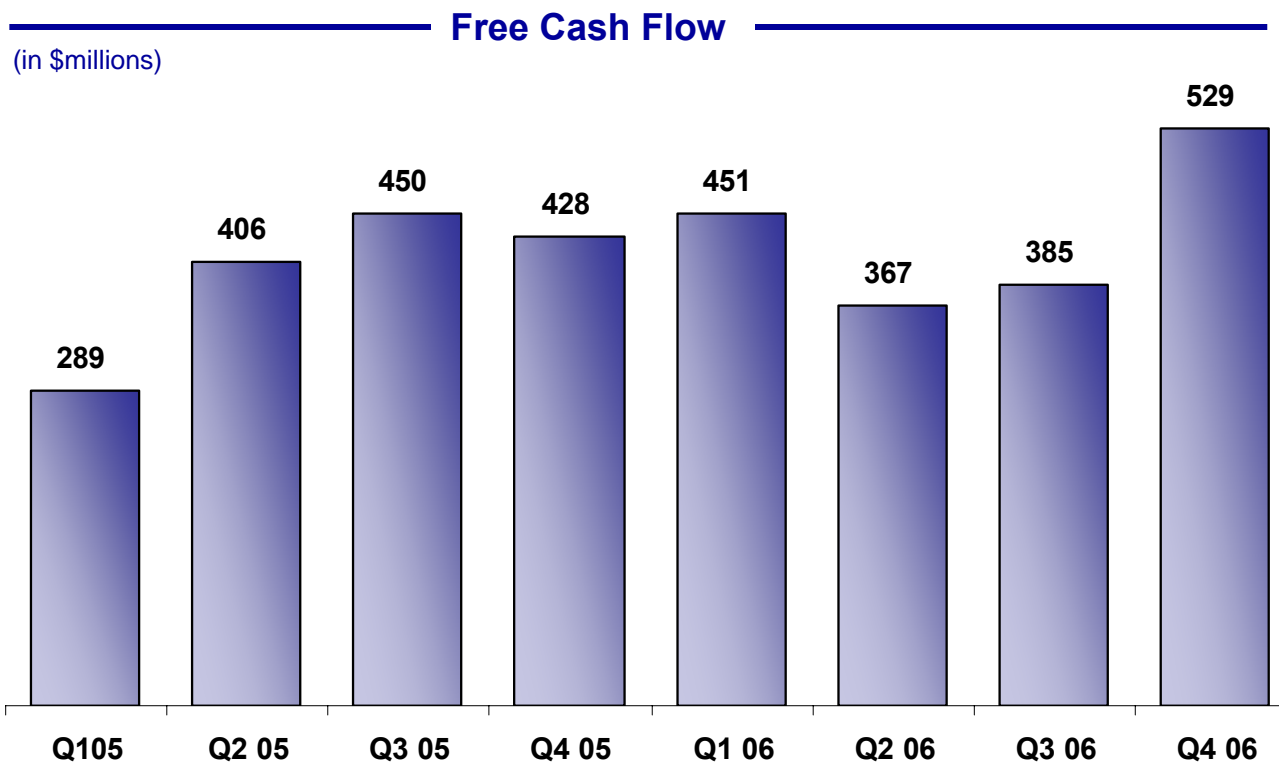


Q4 06 Summary ... Significant EPS Expansion



Reported Y/Y Growth	27%	53%	42%	44%	20%	10%	28%	29%
Non-GAAP Op. Margin	36%	37%	36%	34%	33%	33%	32%	33%

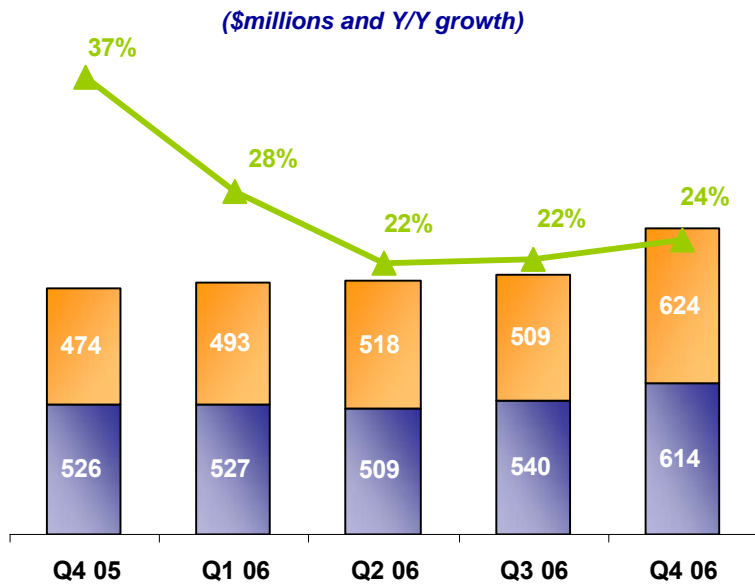
Q4 06 Summary ... Excellent Free Cash Flow Generation



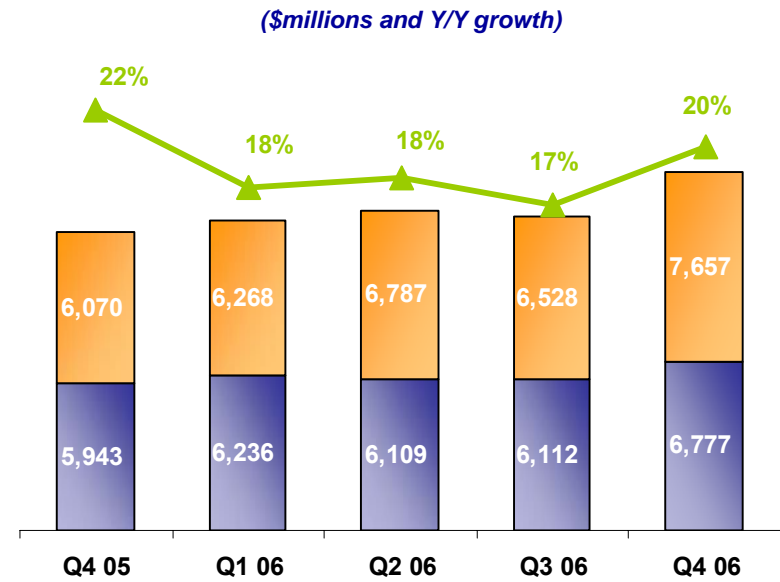
	Q1 05	Q2 05	Q3 05	Q4 05	Q1 06	Q2 06	Q3 06	Q4 06
Reported Y/Y Growth	-2%	106%	123%	44%	56%	-10%	-14%	24%
Capex % of Revenue	20%	8%	4%	7%	10%	11%	9%	6%
FCF % of Revenue	28%	37%	41%	32%	32%	26%	27%	31%

Business Update ... Marketplaces Revenue and Volume

Revenue



GMV



Business Update ... Marketplaces Operating Metrics

	Q4 05	Q1 06	Q2 06	Q3 06	Q4 06
Total Users (in millions)					
US	83	87	90	94	97
Y/Y Growth	22%	20%	19%	19%	17%
Int'l	98	106	113	118	124
Y/Y Growth	<u>45%</u>	<u>42%</u>	<u>38%</u>	<u>33%</u>	<u>27%</u>
Total Users	181	193	203	212	222
Y/Y Growth	33%	31%	29%	26%	23%
New Listings (in millions)					
US	261	265	265	261	272
Y/Y Growth	25%	23%	23%	16%	4%
Int'l	285	311	331	323	339
Y/Y Growth	<u>46%</u>	<u>44%</u>	<u>47%</u>	<u>38%</u>	<u>19%</u>
Total Listings	546	575	596	584	610
Y/Y Growth	35%	33%	35%	27%	12%
GMV (in \$millions)					
US	5,943	6,236	6,109	6,112	6,777
Y/Y Growth	18%	18%	15%	13%	14%
Int'l	6,070	6,268	6,787	6,528	7,657
Y/Y Growth	28%	18%	22%	21%	26%
Fx Neutral Y/Y Growth	<u>36%</u>	<u>26%</u>	<u>21%</u>	<u>16%</u>	<u>17%</u>
Total GMV	12,013	12,504	12,896	12,640	14,434
Y/Y Growth	22%	18%	18%	17%	20%
Fx Neutral Y/Y Growth	26%	22%	18%	15%	16%

Added 41M
New Users in
'06

Full Year 2.4B
Listings in '06
+26% Y/Y

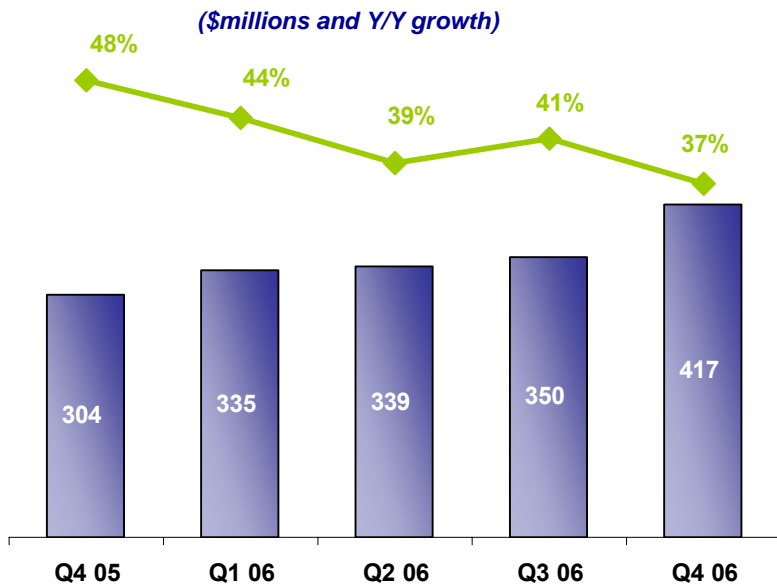
Full Year \$52B
GMV in '06
+18% Y/Y

Business Update ... Marketplaces

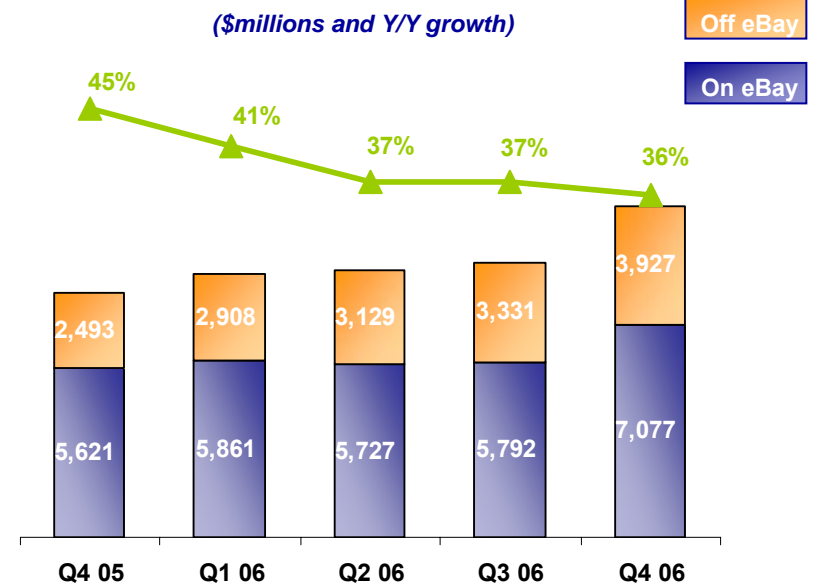
- Europe
- Asia
- eBay Express
- Advertising
- Shopping.com
- Classifieds

Business Update ... PayPal Revenue and Volume

Revenue



TPV



Business Update ... PayPal Operating Metrics

	Q4 05	Q1 06	Q2 06	Q3 06	Q4 06
Total Accounts (in millions)					
US	68	72	77	81	86
Y/Y Growth	38%	34%	31%	30%	27%
Int'l	28	33	37	42	47
Y/Y Growth	<u>97%</u>	<u>89%</u>	<u>82%</u>	<u>73%</u>	<u>67%</u>
Total Accounts	96	105	114	123	133
Y/Y Growth	51%	47%	44%	42%	38%
TPV (in \$millions)					
On eBay	5,621	5,861	5,727	5,792	7,077
Y/Y Growth	40%	33%	26%	27%	26%
Merchant Services	2,493	2,908	3,129	3,331	3,927
Y/Y Growth	<u>56%</u>	<u>59%</u>	<u>61%</u>	<u>59%</u>	<u>57%</u>
Total TPV	8,114	8,769	8,856	9,123	11,004
Y/Y Growth	45%	41%	37%	37%	36%
On-eBay Penetration Rate					
Global	53.9%	55.8%	56.5%	58.0%	58.3%
Transaction rates					
Transaction exp	1.09%	1.04%	1.02%	1.07%	1.08%
Transaction loss	0.33%	0.29%	0.27%	0.35%	0.41%

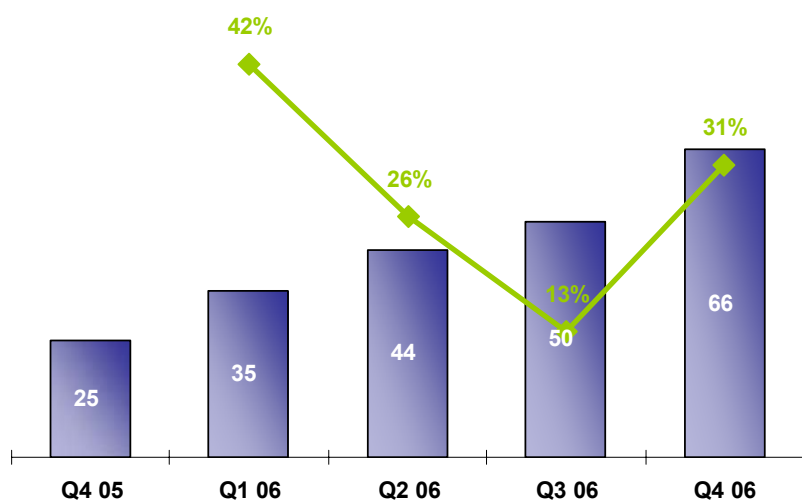
Added 37M
New Accounts
in '06

Full Year \$38B
TPV in '06
+37% Y/Y

Business Update ... Skype Revenue and Operating Metrics

Revenue

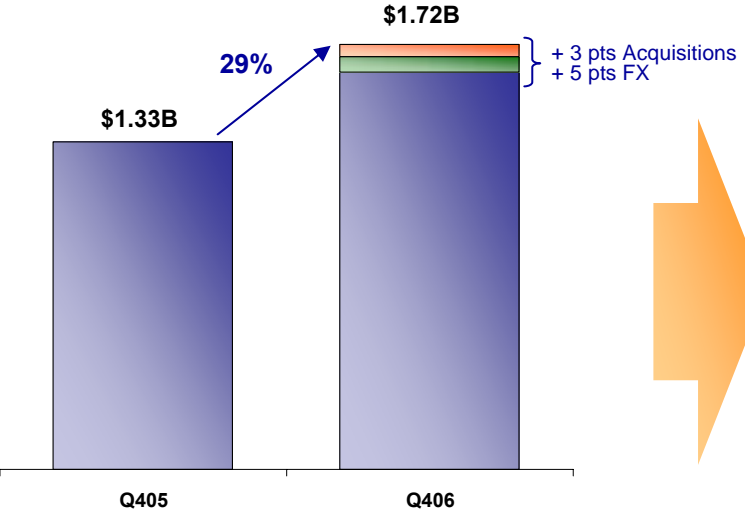
(\$millions and Sequential growth)



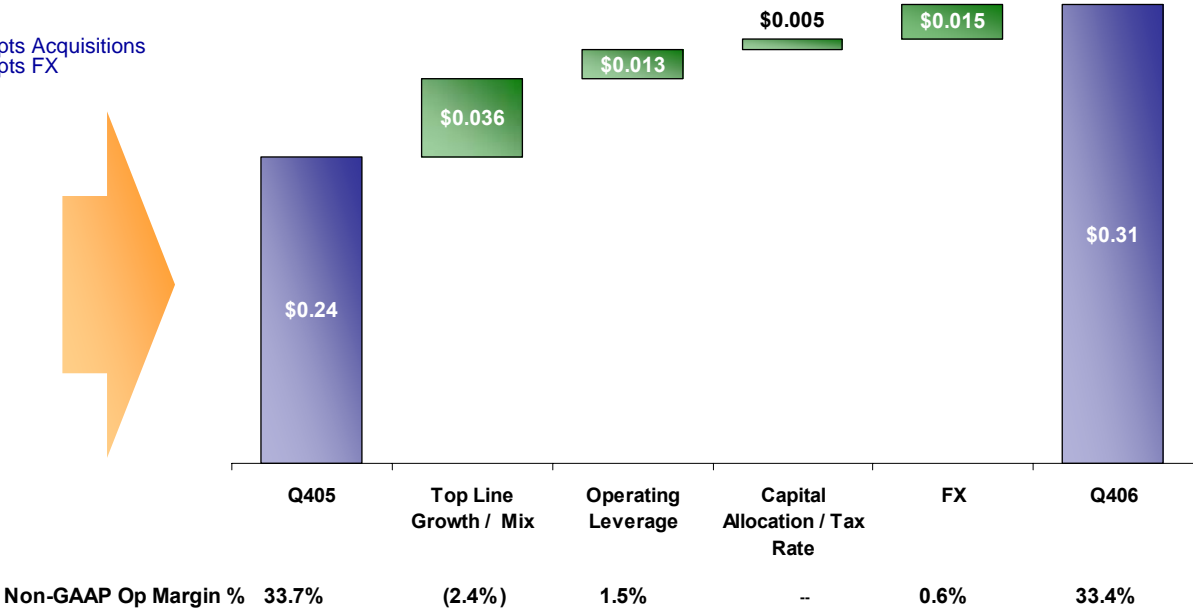
	Q4 05	Q1 06	Q2 06	Q3 06	Q4 06
Total Users (in millions)	75	95	113	136	171
Y/Y Growth	--	--	--	--	129%
(in billions)					
Skype to Skype Minutes	5.2	6.9	7.1	6.6	7.6
Y/Y Growth	--	--	--	--	46%
Skype Out Minutes	0.5	0.7	0.9	1.1	1.5
Y/Y Growth	--	--	--	--	189%

Q4 06 Top Line Growth ... EPS Expansion

Top Line Growth...



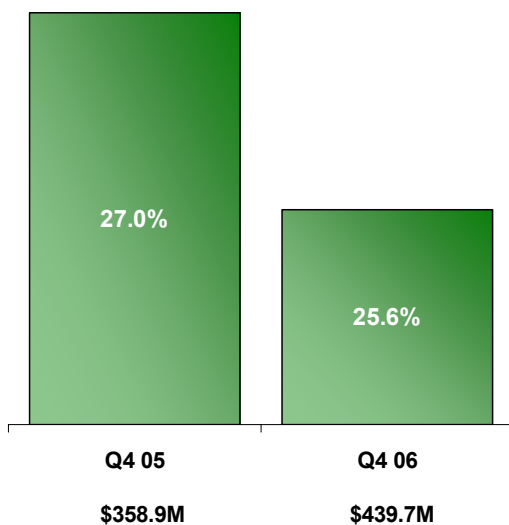
...Non-GAAP EPS Expansion



Q4 06 Total Non-GAAP Operating Expenses

Sales & Marketing

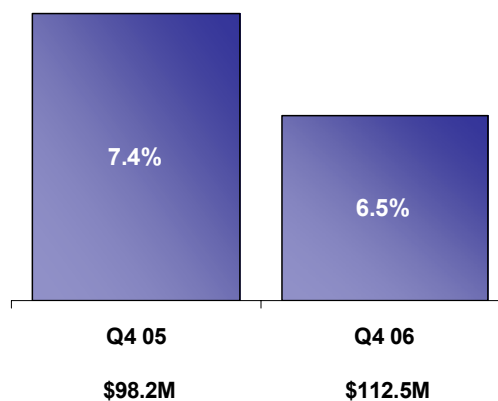
(% of Revenue)



Decline driven by more efficient marketing program spend and business mix

Product Development

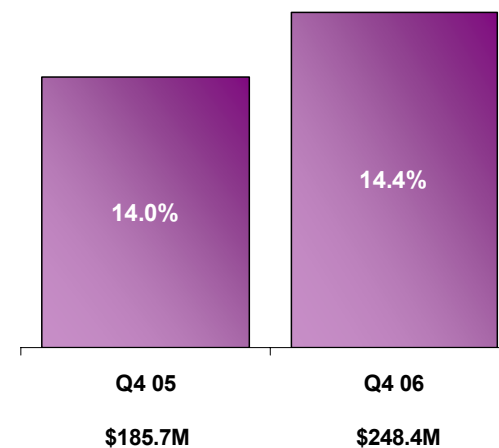
(% of Revenue)



Decline driven by more efficient product development spend

General & Admin

(% of Revenue)



Increase driven by PayPal Transaction Losses

Note: Prior period expenses have been reclassified to conform to current year presentation, including approximately \$11 million of Q4 05 bad debt costs reclassified from Sales & Marketing to General & Admin

Full Year 2006 Summary

2006 Context

- Delivered on financial commitments each quarter
- Quickly responded to challenges during the year
- Also had some big wins ... Merchant Services performance and integration of '05 acquisitions
- Effectively redeployed capital
 - Acquisitions (Sonorit, Tradera)
 - Share Repurchase Program
- Well positioned entering into 2007

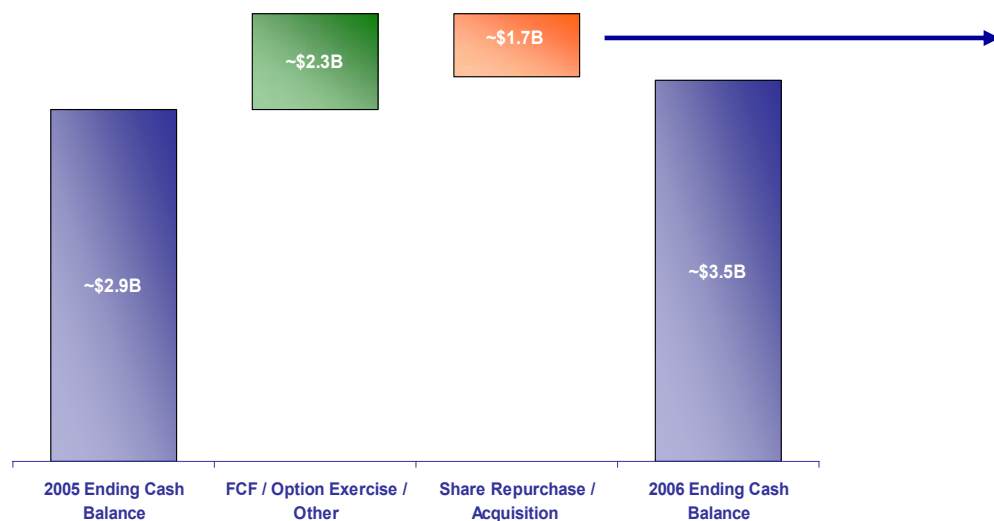
2006 Results

	2006	Y/Y Change
Revenues	\$5,970	31%
<i>Organic growth</i>	--	23%
Non-GAAP Op. Income	\$1,961	21%
<i>Non-GAAP Op. Margin</i>	32.8%	(2.6 ppt)
Non-GAAP EPS	\$1.05	21%
Free Cash Flow	\$1,732	10%

2006 Cash Flow Share Repurchase Update

Cash Balance / Flows

Share Repurchase Update



- Executed \$1.7 billion of \$2.0 billion program in 5 months
- Re-purchased 54.5 million shares at an average price of \$30.56
- Reduced shares outstanding by 1.9%
- Authorized additional \$2.0 billion share repurchase over 24 months

**Healthy cash balance and strong cash flows ... provides flexibility for share repurchase
... without sacrificing liquidity**

Full Year 2007 Guidance Context

	Revenue		Non-GAAP Operating Margin	Non-GAAP EPS
	Low	High		
Original 2007 Guidance	\$6,895	\$7,135	~33%	≥\$1.22
<i>Implied Y/Y Growth Rate</i>	<i>17%</i>	<i>21%</i>	<i>+50 bps</i>	<i>≥20%</i>
Good execution ... Strong Q4	60	60	--	~0.015
Geographic strengthening ...China JV	(10)	(15)	0.3%	~0.010
Tailored Shopping Experience ... Stubhub	105	120	(0.3%)	~0.005
Capital Allocation ... 2007 Share Repurchase	--	--	--	~0.005

Updated 2007 Guidance	\$7,050	\$7,300	~33%	\$1.25 - \$1.29
<i>Implied Y/Y Growth Rate</i>	<i>18%</i>	<i>22%</i>	<i>+20 bps</i>	<i>20% - 23%</i>

Notes:

Original 2007 guidance Y/Y growth based on 2006 guidance given October 18, 2006: Revenue \$5,895M (midpoint of range), Non-GAAP Operating Margin 32.5% and Non-GAAP EPS \$1.020

Updated 2007 guidance Y/Y growth based on 2006 actual results: Revenue \$5,970, Non-GAAP Operating Margin 32.8% and Non-GAAP EPS \$1.046

Adjustments in the guidance Non-GAAP Operating Margin and EPS columns exclude the amortization of acquired intangible assets

Guidance Summary

	Q1 07	2007
<u>Financial Guidance</u>		
Revenues (in millions)	\$1,670 - 1,720	\$7,050 - 7,300
Non-GAAP Operating Margin	--	~33%
Non-GAAP EPS	\$0.28 - 0.30	\$1.25 - 1.29
Free Cash Flow	--	~\$1,850
<u>Guidance Assumptions</u>		
FX Rate	\$1.25 / €	\$1.25 / €
Non-GAAP Tax Rate	--	28.0 - 28.5%
Capex % of Revenue	--	8 - 9%

Summary

- Strong Q4 results capped a good 2006 ...
 - Quickly responded to challenges
 - Delivered record revenues and exceeded EPS goals
 - Exit with good business momentum
- Continued focus in 2007 on top-line growth in each business unit while delivering increasing profitability and cash flow

Q & A

Appendix – GAAP to Non-GAAP Reconciliations

Calculation of Organic Revenue Growth

	<u>Q1 05</u>	<u>Q2 05</u>	<u>Q3 05</u>	<u>Q4 05</u>
Total revenue growth	36%	40%	37%	42%
Acquisition impact	(3%)	(2%)	(5%)	(11%)
Foreign currency impact	(3%)	(3%)	-	3%
Total organic revenue growth	<u>30%</u>	<u>35%</u>	<u>32%</u>	<u>34%</u>

	<u>Q1 06</u>	<u>Q2 06</u>	<u>Q3 06</u>	<u>Q4 06</u>
Total revenue growth	35%	30%	31%	29%
Acquisition impact	(10%)	(9%)	(9%)	(3%)
Foreign currency impact	5%	-	(2%)	(5%)
Total organic revenue growth	<u>30%</u>	<u>21%</u>	<u>20%</u>	<u>21%</u>

Reconciliation of GAAP to Non-GAAP Net Income / EPS

	<u>Q1 05</u>	<u>Q2 05</u>	<u>Q3 05</u>	<u>Q4 05</u>	<u>Q1 06</u>	<u>Q2 06</u>	<u>Q3 06</u>	<u>Q4 06</u>
(in millions, except per share data)								
GAAP net income	\$ 256.3	\$ 291.6	\$ 255.0	\$ 279.2	\$ 248.3	\$ 250.0	\$ 280.9	\$ 346.5
Stock-based compensation expense related to employee stock options and purchases	3.6	0.1	5.3	22.8	83.8	85.4	73.5	74.7
Payroll tax on stock option exercises	5.7	1.5	2.3	3.5	2.3	1.6	0.4	0.9
Amortization of acquired intangible assets	22.5	25.8	29.2	51.4	51.9	62.0	51.5	49.5
Gain on sale of equity investment	-	(2.3)	-	-	-	-	-	-
Income taxes associated with certain non-GAAP entries	<u>(12.6)</u>	<u>(9.5)</u>	<u>(11.6)</u>	<u>(16.8)</u>	<u>(43.4)</u>	<u>(48.3)</u>	<u>(38.9)</u>	<u>(41.0)</u>
Non-GAAP net income	<u>\$ 275.5</u>	<u>\$ 307.2</u>	<u>\$ 280.2</u>	<u>\$ 340.1</u>	<u>\$ 342.9</u>	<u>\$ 350.7</u>	<u>\$ 367.4</u>	<u>\$ 430.5</u>
Non-GAAP net income per diluted share / EPS	<u>\$ 0.20</u>	<u>\$ 0.22</u>	<u>\$ 0.20</u>	<u>\$ 0.24</u>	<u>\$ 0.24</u>	<u>\$ 0.24</u>	<u>\$ 0.26</u>	<u>\$ 0.31</u>
Shares used in diluted share calculation	<u>1,382</u>	<u>1,379</u>	<u>1,387</u>	<u>1,426</u>	<u>1,438</u>	<u>1,436</u>	<u>1,426</u>	<u>1,403</u>

Reconciliation of GAAP to Non-GAAP Operating Margin

	<u>Q1 05</u>	<u>Q2 05</u>	<u>Q3 05</u>	<u>Q4 05</u>
(in millions)				
GAAP income from operations	\$ 335.6	\$ 379.0	\$ 356.8	\$ 370.4
Stock-based compensation expense related to employee stock options and purchases	3.6	0.1	5.3	22.8
Payroll tax on stock option exercises	5.7	1.5	2.3	3.5
Amortization of acquired intangible assets	22.5	25.8	29.2	51.4
Non-GAAP income from operations	<u>\$ 367.4</u>	<u>\$ 406.4</u>	<u>\$ 393.6</u>	<u>\$ 448.1</u>
Revenues	\$ 1,032	\$ 1,086	\$ 1,106	\$ 1,329
GAAP operating margin	33%	35%	32%	28%
Non-GAAP operating margin	36%	37%	36%	34%
	<u>Q1 06</u>	<u>Q2 06</u>	<u>Q3 06</u>	<u>Q4 06</u>
(in millions)				
GAAP income from operations	\$ 322.7	\$ 311.4	\$ 339.1	\$ 449.9
Stock-based compensation expense related to employee stock options and purchases	83.8	85.4	73.5	74.7
Payroll tax on stock option exercises	2.3	1.6	0.4	0.9
Amortization of acquired intangible assets	51.9	62.0	51.5	49.5
Non-GAAP income from operations	<u>\$ 460.7</u>	<u>\$ 460.4</u>	<u>\$ 464.5</u>	<u>\$ 575.0</u>
Revenues	\$ 1,390	\$ 1,411	\$ 1,449	\$ 1,720
GAAP operating margin	23%	22%	23%	26%
Non-GAAP operating margin	33%	33%	32%	33%

Calculation of Free Cash Flow

	<u>Q1 05</u>	<u>Q2 05</u>	<u>Q3 05</u>	<u>Q4 05</u>	<u>2005</u>
(in millions)					
GAAP operating cash flow	\$ 495.4	\$ 496.5	\$ 491.7	\$ 526.2	\$ 2,009.8
Purchases of property and equipment, net	(79.6)	(90.5)	(70.5)	(97.7)	(338.3)
Proceeds from sale of corporate aircraft	-	-	28.3	-	28.3
Payment of headquarters facility lease obligation	(126.4)	-	-	-	(126.4)
Free cash flow	<u>\$ 289.4</u>	<u>\$ 406.0</u>	<u>\$ 449.5</u>	<u>\$ 428.5</u>	<u>\$ 1,573.4</u>

	<u>Q1 06</u>	<u>Q2 06</u>	<u>Q3 06</u>	<u>Q4 06</u>	<u>2006</u>
(in millions)					
GAAP operating cash flow	\$ 584.2	\$ 515.5	\$ 522.1	\$ 626.0	\$ 2,247.8
Purchases of property and equipment, net	(133.6)	(148.4)	(136.9)	(96.6)	(515.5)
Free cash flow	<u>\$ 450.6</u>	<u>\$ 367.1</u>	<u>\$ 385.2</u>	<u>\$ 529.4</u>	<u>\$ 1,732.3</u>

Reconciliation of GAAP to Non-GAAP Quarterly Statement of Income

	Q4 05			Q4 06		
	Reported	Non-GAAP Entries	Non-GAAP	Reported	Non-GAAP Entries	Non-GAAP
(in millions, except per share data)						
Net revenues	\$ 1,328.9	\$ -	\$ 1,328.9	\$ 1,719.9	\$ -	\$ 1,719.9
Cost of net revenues	239.5	(1.6) (a)	237.9	356.3	(7.9) (a)	344.3
		-			(4.1) (c)	
Gross Profit	1,089.3	1.6	1,090.9	1,363.6	12.0	1,375.6
Operating expenses:						
Sales and marketing	367.2	(8.3) (a)	358.9	461.3	(21.6) (a)	439.7
Product development	103.9	(5.6) (a)	98.2	131.2	(18.8) (a)	112.5
General and administrative	196.4	(7.3) (a)	185.7	275.7	(26.4) (a)	248.4
		(3.4) (b)			(0.9) (b)	
Amortization of acquired intangible assets	51.4	(51.4) (c)	-	45.4	(45.4) (c)	-
Total operating expense	718.9	(76.1)	642.9	913.7	(113.1)	800.6
Income from operations	370.4	77.7	448.1	449.9	125.1	575.0
Interest and other income, net	25.6	-	25.6	37.4	-	37.4
Interest expense	(0.9)	-	(0.9)	(3.7)	-	(3.7)
Income before income taxes and minority interests	395.1	77.7	472.7	483.6	125.1	608.7
Provision for income taxes	(115.8)	(16.8) (d)	(132.6)	(137.1)	(41.0) (d)	(178.2)
Minority interests	(0.0)	-	(0.0)	(0.0)	-	(0.0)
Net income	\$ 279.2	\$ 60.8	\$ 340.1	\$ 346.5	\$ 84.1	\$ 430.5
Net income per share:						
Basic	\$ 0.20		\$ 0.24	\$ 0.25		\$ 0.31
Diluted	\$ 0.20		\$ 0.24	\$ 0.25		\$ 0.31
Weighted average shares:						
Basic	1,395		1,395	1,381		1,381
Diluted	1,426		1,426	1,403		1,403
Operating margin	28%	6%	34%	26%	7%	33%
Effective tax rate	29%	(1%)	28%	28%	1%	29%

Notes:

- (a) Stock-based compensation
- (b) Employer payroll taxes on employee non-qualified stock option grants
- (c) Amortization of acquired intangible assets
- (d) Income taxes associated with certain non-GAAP entries

Reconciliation of GAAP to Non-GAAP Annual Statement of Income

	2005			2006		
	Reported	Non-GAAP Entries	Non-GAAP	Reported	Non-GAAP Entries	Non-GAAP
(in millions, except per share data)						
Net revenues	\$ 4,552.4	\$ -	\$ 4,552.4	\$ 5,969.7	\$ -	\$ 5,969.7
Cost of net revenues	818.1	(1.9) (a)	816.2	1,256.8	(33.0) (a)	1,206.0
		-			(17.9) (c)	
Gross Profit	3,734.3	1.9	3,736.2	4,712.9	50.8	4,763.8
Operating expenses:						
Sales and marketing	1,185.9	(8.7) (a)	1,177.2	1,619.9	(96.5) (a)	1,523.3
Product development	328.2	(6.5) (a)	321.7	494.7	(81.5) (a)	413.2
General and administrative	649.5	(14.7) (a)	621.8	978.4	(106.4) (a)	866.7
		(13.0) (b)			(5.3) (b)	
Amortization of acquired intangible assets	128.9	(128.9) (c)	-	197.1	(197.1) (c)	-
Total operating expense	2,292.6	(171.8)	2,120.7	3,290.0	(486.8)	2,803.2
Income from operations	1,441.7	173.7	1,615.4	1,423.0	537.7	1,960.6
Interest and other income, net	111.1	(2.3)	108.9	130.0	-	130.0
Interest expense	(3.5)	-	(3.5)	(5.9)	-	(5.9)
Income before income taxes and minority interests	1,549.4	171.5	1,720.8	1,547.1	537.7	2,084.7
Provision for income taxes	(467.3)	(50.5) (d)	(517.8)	(421.4)	(171.7) (d)	(593.1)
Minority interests	(0.0)	-	(0.0)	(0.0)	-	(0.0)
Net income	\$ 1,082.0	\$ 121.0	\$ 1,203.0	\$ 1,125.6	\$ 366.0	\$ 1,491.6
Net income per share:						
Basic	\$ 0.79	\$	\$ 0.88	\$ 0.80	\$	\$ 1.07
Diluted	\$ 0.78	\$	\$ 0.86	\$ 0.79	\$	\$ 1.05
Weighted average shares:						
Basic	1,362		1,362	1,399		1,399
Diluted	1,394		1,394	1,425		1,425
Operating margin	32%	3%	35%	24%	9%	33%
Effective tax rate	30%	0%	30%	27%	1%	28%

Notes:

- (a) Stock-based compensation
- (b) Employer payroll taxes on employee non-qualified stock option grants
- (c) Amortization of acquired intangible assets
- (d) Income taxes associated with certain non-GAAP entries

Reconciliation of GAAP to Non-GAAP Guidance

	Q1 07		2007	
	GAAP	Non-GAAP (a)	GAAP	Non-GAAP (a)
(in millions, except per share amounts and percentages)				
Revenues	\$ 1,670-\$1,720	\$ 1,670-\$1,720	\$ 7,050-\$7,300	\$ 7,050-\$7,300
Operating Margin	-	-	26%	33%
Diluted EPS	\$ 0.21-\$0.23	\$ 0.28-0.30	\$ 0.99-\$1.03	\$ 1.25-\$1.29
Effective Tax Rate	-	-	27.0%-27.5%	28.0%-28.5%

(a) Non-GAAP guidance reflects estimated quarterly adjustments to exclude the amortization of acquired intangible assets of approximately \$45-\$60 million and stock-based compensation and payroll taxes on employee stock options of approximately \$70-\$85 million.