



## eBay Inc. to Acquire Zong

*Zong strengthens PayPal's leadership position in mobile payments and digital goods*

SAN JOSE, Calif. & MENLO PARK, Calif.--(BUSINESS WIRE)-- eBay Inc. (NASDAQ: EBAY) announced today that it has agreed to acquire Zong, a leading provider of payments through mobile carrier billing, for total consideration of approximately \$240 million in cash. Zong leverages connections with more than 250 mobile network operators around the world, offering localized, secure and easy-to-use payments capabilities for digital goods and services in 21 languages and 45 countries. Combined with PayPal's leading global payment platform serving 100 million active accounts worldwide, the company expects that Zong will add complementary technology and talent that help strengthen PayPal's leadership position in mobile payments and digital goods.

Zong allows consumers to easily pay for purchases from their mobile phones or computers through direct carrier billing. Consumers simply enter their mobile phone numbers. Then, in a matter of seconds, Zong verifies that number and clears the payment on the customer's existing wireless service account.

With Zong, PayPal will have greater ability to offer consumers even more choices in how they want to pay — virtually anytime, anywhere. Both Zong and PayPal help to enable digital goods merchants to increase conversion, because they offer a faster, easier way for consumers to pay without leaving the merchant's site.

"Commerce is changing. With mobile phones, we walk around with a mall in our pockets. PayPal helps to make money work better for customers in this new commerce reality — no matter how they want to pay or what device they're using," said Scott Thompson, president of PayPal. "We believe that Zong will strengthen this value by helping us reach the more than 4 billion people who have mobile phones, giving them more choice and security when they pay."

"Our customers love the convenience of paying with their mobile numbers — a number they know by heart, and a device that they always have with them," said David Marcus, CEO of Zong. "We look forward to extending our services to PayPal's more than 9 million merchants around the world. And we're committed to working with carriers and merchants to help them drive more sales across devices."

PayPal is an industry leader in mobile payments and digital goods. PayPal expects to transact more than \$3 billion in mobile payments in 2011. Currently, more than 8 million customers are making purchases on their mobile phones through PayPal, driving up to \$10 million in mobile payments per day. PayPal offers Mobile Express Checkout for merchants, PayPal Mobile Payments Library for developers, PayPal payment apps for iPhone, Android, Nokia and BlackBerry, and location-based shopping with Where.

Earlier this year, PayPal launched PayPal for Digital Goods, a new product that lets buyers pay in two clicks without leaving their gaming experience or content site. In 2010, PayPal processed \$3.4 billion in payments for digital goods.

eBay Inc. does not expect the acquisition of Zong to have a material impact on its financial guidance as issued in conjunction with its first quarter earnings release on April 27, 2011. The transaction is subject to customary closing conditions, including regulatory approval, and is expected to close in the third quarter of 2011.

### **About eBay Inc.**

Founded in 1995 in San Jose, Calif., eBay Inc. (NASDAQ:EBAY) connects millions of buyers and sellers globally on a daily basis through eBay, the world's largest online marketplace, and PayPal, which enables individuals and businesses to securely, easily and quickly send and receive online payments. We also reach millions through specialized marketplaces such as StubHub, the world's largest ticket marketplace, and eBay classifieds sites, which together have a presence in more than 1,000 cities around the world. For more information about the company and its global portfolio of online brands, visit [www.ebayinc.com](http://www.ebayinc.com).

### **About PayPal**

PayPal is the faster, safer way to pay and get paid online. The service allows members to send money without sharing financial information, with the flexibility to pay using their account balances, bank accounts, credit cards or promotional financing. With

100 million active accounts in 190 markets and 25 currencies around the world, PayPal enables global commerce. PayPal is an eBay (Nasdaq:EBAY) company. PayPal is headquartered in San Jose, Calif. and its international headquarters is located in Singapore. More information about the company can be found at [PayPal.com](http://PayPal.com).

## About Zong

Zong is a leading mobile payments platform for sellers of digital goods and services. Zong leverages direct connections with mobile network operators around the world to provide a secure payment solution with best-in-class connectivity and service quality. Zong is a mobile payment provider for Facebook Credits and is also accepted at over a thousand digital merchant sites. Reaching 3.2 billion mobile users through over 250 carrier connections, Zong provides localized payment capabilities in 21 languages and 45 countries. Zong is based in Menlo Park with offices in Geneva, Paris and Dusseldorf, and is backed by Matrix Partners, Advent Venture Partners and Newbury Ventures. For more information, please visit [www.zong.com](http://www.zong.com).

## Forward-Looking Statements

This announcement contains forward-looking statements that involve risks and uncertainties, and actual results could differ materially from those discussed. Factors that could cause or contribute to such differences include, but are not limited to, the receipt and timing of regulatory approval for the transaction, the possibility that the transaction may not close, the reaction to the transaction of Zong's customers and merchant and carrier partners, PayPal's plans for Zong, the future growth of Zong's and PayPal's businesses, the reaction of competitors to the transaction and the possibility that integration following the transaction may be more difficult than expected. More information about potential factors which could affect our business and results is included in eBay's Annual Report on Form 10-K for the year ended December 31, 2010, its Quarterly Reports on Form 10-Q, its Current Reports on Form 8-K, and other periodic filings. All forward-looking statements are based on information available to eBay on the date hereof, and eBay assumes no obligation to update such statements.

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