



## **eBay to Acquire brands4friends, Germany's Largest Online Fashion Shopping Club**

*Deal designed to strengthen eBay's position as a leading European online fashion destination*

SAN JOSE, Calif. & BERLIN--(BUSINESS WIRE)-- eBay Inc. (Nasdaq:EBAY) today announced it has reached a definitive agreement to acquire all of the shares of [brands4friends](#), Germany's largest online shopping club for fashion and lifestyle, for cash at a transaction value of approximately US\$200 million (EUR150 million). The move is designed to strengthen eBay's position as a leading online fashion destination in Europe. eBay is the world's leading online marketplace and a leader in online fashion sales, generating more than \$5.4 billion in clothing, shoes and accessories merchandise volume annually.

Germany's largest online shopping club, brands4friends sells high-quality goods from renowned fashion and lifestyle brands at significantly reduced prices to members through limited special offers on a daily basis.

Founded in 2007, brands4friends has approximately 3.5 million members in Germany, and has held a wide variety of campaigns with more than 600 top brands, including international fashion brands such as Buffalo, Calvin Klein and Diesel. The company, which employs approximately 200 people, is headquartered in Berlin.

"We want to give our customers the best possible fashion experience online," said Doug McCallum, Senior Vice President for eBay in Europe. "With the acquisition of brands4friends, we will enter the online shopping club market with an established and dynamic partner who has the expertise, relationships and passion to match our own ambition. We expect many eBay customers will enjoy great deals on international fashion brands by joining the brands4friends community."

Online shopping clubs are a fast growing part of the online fashion market, and now account for approximately 20 percent of online fashion sales in Europe, according to eBay's own research.

"eBay is the perfect partner for us," said Sergio Dias, Chief Executive Officer of brands4friends. "We are able to bring our retail and brand competence and industry knowledge to eBay, and we can expect to benefit from eBay's traffic and ecommerce experience to accelerate the growth of our shopping community."

In the last 18 months, eBay has invested heavily in its fashion business, improving its online shopping experience and opening the eBay Outlet in the U.K. and Germany, offering eBay customers the ability to buy direct from leading fashion brands. eBay has also partnered with brands for flash sales and Daily Deals at significant discounts for customers and launched a global Fashion iPhone application that lets consumers buy fashion items via their mobile devices. Globally, top designers have also created exclusive fashion collections for eBay customers.

As part of the deal eBay will assume brands4friends' equity interests in U.K. shopping club [SecretSales.com](#) and in Japan, [brands4friends.jp](#).

The acquisition, which is subject to regulatory approval among other conditions, is expected to close in the first quarter of 2011. eBay does not expect this acquisition to have a material impact on its 2011 financial results.

Allen & Company is serving as financial advisor to brands4friends.

### **About eBay**

Founded in 1995 in San Jose, Calif., eBay Inc. (NASDAQ:EBAY) connects hundreds of 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 our global portfolio of online brands, visit [www.ebayinc.com](#).

### **About brands4friends**

[brands4friends.de](#) is Germany's largest online shopping club with approximately 3.5 million registered club members, who are on average 32 years old. brands4friends.de is one of the fastest growing ecommerce communities worldwide, with successful

international operations in Austria, the U.K. and Japan. With a total of 3.5 million members in Germany, brands4friends.de sells high-quality goods from renowned fashion and lifestyle brands at significantly reduced prices exclusively to its members. brands4friends.de presents limited special offers on a daily basis of high-quality products from more than 600 manufacturers, representing both overstocks from current collections as well as "off season" goods and special collections. brands4friends.de went online in September 2007 and currently employs 200 people at its headquarters in the center of Berlin. The company's Chief Executive Officer is Sergio Dias. Operated by Private Sale GmbH, brands4friends.de has already been awarded numerous distinctions.

### **Forward-Looking Statement**

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 of the users of brands4friends services, the future growth of brands4friends business, 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, 2009, 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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