

Q1 2013 Financial Highlights

April 17, 2013

- 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. All growth rates represent year-over-year comparisons, except as otherwise noted.
- This presentation contains forward-looking statements relating to our future performance that are based on our current expectations, forecasts and assumptions and involve risks and uncertainties. These statements include, but are not limited to, statements regarding expected financial results for the second quarter and full year 2013 and future growth in the Payments, Marketplaces and GSI businesses.
- Our actual results may differ materially from those included in this presentation for a variety of reasons, including, but not limited to; changes in political, business, and economic conditions; foreign exchange rate fluctuations; our ability to integrate, manage and grow businesses recently acquired or that may be acquired in the future; our need to successfully react to the increasing importance of mobile payments and mobile commerce and the social aspect of commerce; an increasingly competitive environment for our businesses; the complexity of managing an increasingly large enterprise, with a broad range of businesses; our need to manage regulatory, tax and litigation risks (including risks specific to PayPal and Bill Me Later); and our need to timely upgrade and develop our systems, infrastructure, and customer service capabilities at reasonable cost while maintaining site stability and performance and adding new products and features.
- You can find more information about factors that could affect our operating results in our most recent annual report on Form 10-K and our subsequent quarterly reports on Form 10-Q (available at http://investor.ebayinc.com). You should not rely on any forward-looking statements, and we assume no obligation to update them. All information in this presentation is as of April 17, 2013, and we do not intend, and undertake no duty, to update this presentation.



eBay Inc. Q1 2013 Financial Highlights

Strong first quarter results

- Enabled Commerce Volume (ECV*) of \$49B (up 19%)... eBay Inc.
 take rate** of 7.7%
- Expanding our addressable market... portfolio positioned to capitalize & lead... accelerating the rate of innovation
- Double digit active user growth accelerated 1pt at both PayPal and Marketplaces
- Revenue grew 14%; operating margins expanded 50bps. Non-GAAP EPS of \$0.63, up 14%. Generated \$638M of free cash flow

We are maintaining our full year guidance

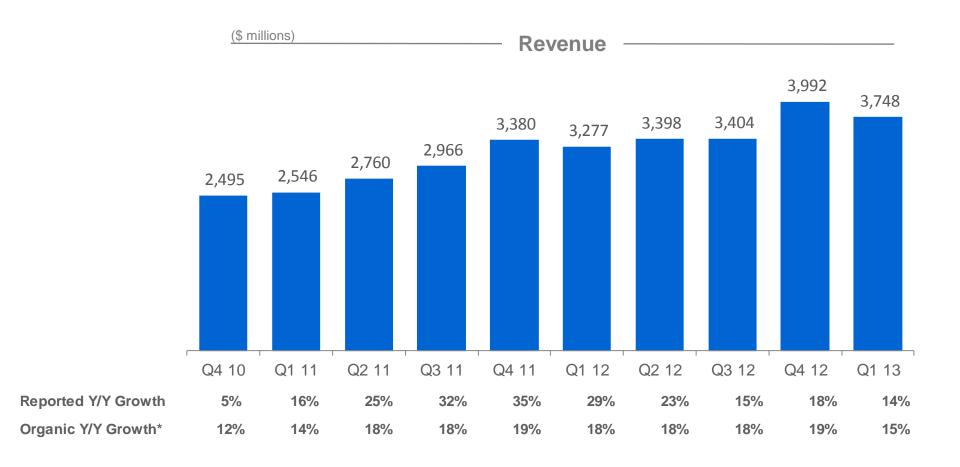
*Enabled Commerce Volume (ECV) includes Marketplaces GMV, PayPal Merchant Services TPV and GSI GeC Merchandise Sales not earned on eBay or paid for via PayPal or Bill Me Later during the period. Excludes volume transacted through the Magento platform

**eBay Inc. take rate is calculated as Revenue / ECV

Calculations of Non-GAAP EPS and free cash flow are included in the Appendix of this presentation



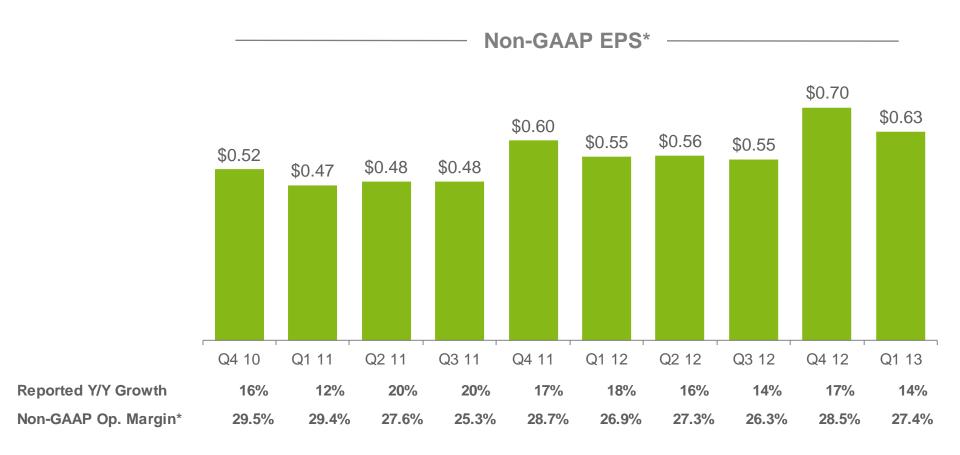
Q1-13 Summary... Revenue



*Calculation of Organic Y/Y Growth is included in the Appendix of this presentation



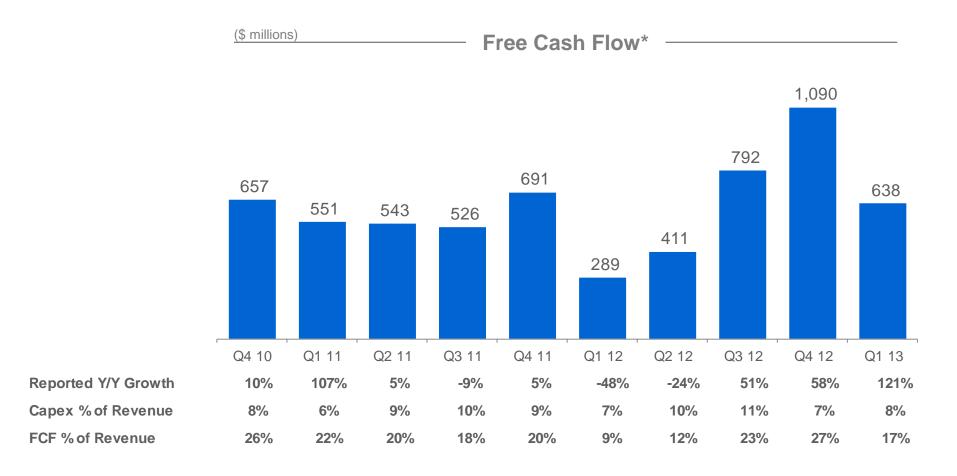
Q1-13 Summary... Non-GAAP EPS*



*Calculations of Non-GAAP EPS and Non-GAAP Op. Margin are included in the Appendix of this presentation



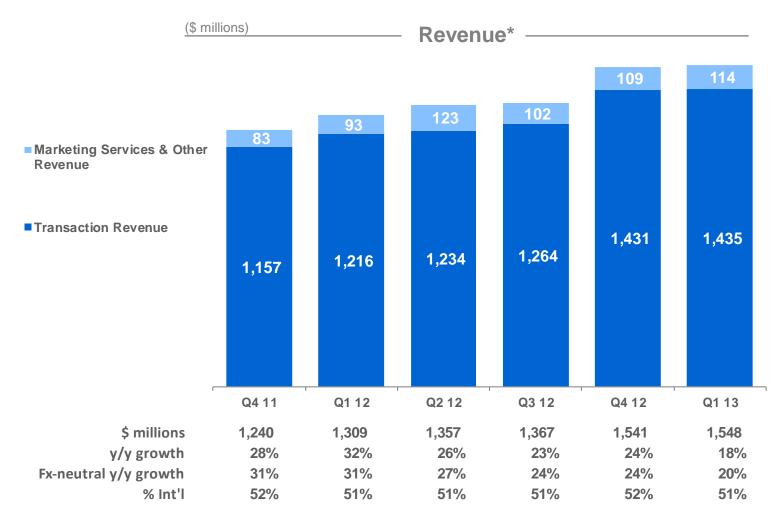
Q1-13 Summary... Free Cash Flow* Generation



*Calculation of Free Cash Flow is included in the Appendix of this presentation



Business Update... Payments Revenue



*Starting Q1'12, includes inter-BU revenue, which is eliminated at the consolidated eBay Inc. level Reflects reclassification of a portion of MS&O revenue from International to the U.S. for Q4'11-Q4'12



Business Update... Payments Operating Metrics

(In millions, except %)	Q4 11	Q1 12	Q2 12	Q3 12	Q4 12	Q1 13
Global Active Accounts	106.3	109.8	113.2	117.4	122.7	127.7
Y/Y Growth	13%	12%	13%	14%	15%	16%
Net Number of Payments	548.1	555.7	564.8	589.2	691.7	681.6
Y/Y Growth	30%	31%	31%	28%	26%	23%
On eBay TPV	11,413	11,424	11,336	11,455	13,444	12,953
Y/Y Growth	15%	17%	15%	15%	18%	13%
Fx-Neutral Y/Y Growth	16%	18%	18%	18%	18%	14%
Merchant Services TPV*	21,959	22,433	23,114	23,704	28,026	28,087
Y/Y Growth	29%	28%	23%	23%	28%	25%
Fx-Neutral Y/Y Growth	29%	28%	26%	26%	28%	26%
Total TPV	33,372	33,857	34,451	35,159	41,471	41,040
Y/Y Growth	24%	24%	20%	20%	24%	21%
Fx-Neutral Y/Y Growth	24%	25%	23%	23%	25%	22%
% Int'l TPV	47%	46%	47%	47%	48%	47%
Global On eBay Penetration Rate	74.4%	75.6%	75.6%	76.6%	76.6%	76.9%
Take Rate	3.71%	3.87%	3.94%	3.89%	3.72%	3.77%
Transaction Expense	1.04%	1.07%	1.07%	1.07%	1.03%	1.05%
Loss Rate	0.27%	0.26%	0.26%	0.30%	0.28%	0.29%
Transaction Margin**	64.8%	65.6%	66.3%	64.8%	64.7%	64.4%
Payments Segment Margin	24.7%	26.4%	25.8%	22.6%	23.0%	24.1%

TPV growth driven by increased merchant coverage, consumer share of checkout, and an expanded addressable market

Transaction margin lower due mainly to lower take rate from foreign currency hedges and large merchant mix

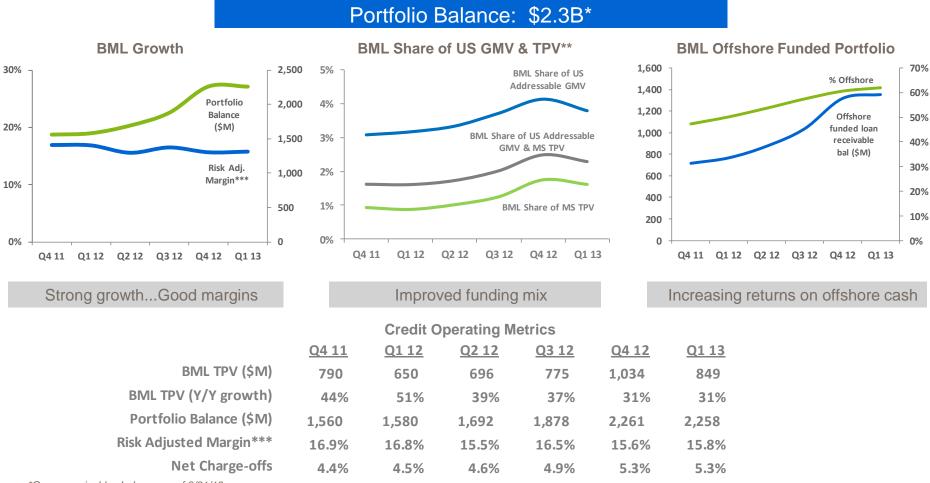
Segment margin declined due mainly to lower transaction margin and investments in consumer awareness, product initiatives and merchant ubiquity

^{**}Transaction Margin calculation has been adjusted to include total revenues (including revenue from credit and Zong), less transaction expense (including credit cost of funds), less transaction loss (including credit loan losses), divided by global take rate (based on global total revenues divided by total TPV)



^{*}Merchant Services TPV includes TPV for Bill Me Later (whether used within or outside of the PayPal wallet) and Zong

Business Update... Credit Metrics



^{*}Gross receivables balance as of 3/31/13

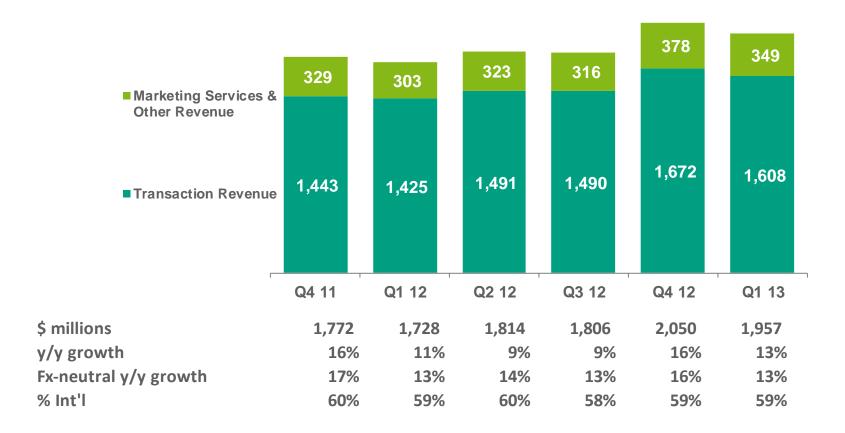
^{***}Risk adjusted margin represents the annualized ratio of Bill Me Later revenue, excluding contra-revenue incentives to customers or merchants, less cost of funds less net credit and fraud losses relative to average loans receivable for the 3-month period



^{**%} of US Marketplaces GMV and Merchant Services TPV funded using Bill Me Later (excluding Bill Me Later legacy business)

Business Update... Marketplaces Revenue





*Starting Q1'12, includes inter-BU revenue, which is eliminated at the consolidated eBay Inc. level



Business Update... Marketplaces Operating Metrics

(In millions, except percentages)	Q4 11	Q1 12	Q2 12	Q3 12	Q4 12	Q1 13
Global Active Users	100.4	102.4	104.8	108.3	112.3	116.2
Y/Y Growth	6%	7%	8%	10%	12%	13%
Y/Y Growth in Sold Items	11.3%	17.2%	19.7%	19.0%	17.4%	11.7%
US Non-Vehicles GMV	6,157	6,366	6,241	6,479	7,338	7,364
Y/Y Growth	10%	13%	14%	16%	19%	16%
Int'l Non-Vehicles GMV	10,333	9,840	9,930	9,801	11,767	10,962
Y/Y Growth	9%	11%	8%	8%	14%	11%
Fx-Neutral Y/Y Growth	10%	13%	16%	15%	14%	11%
Non-Vehicles GMV	16,490	16,206	16,171	16,281	19,105	18,326
Y/Y Growth	10%	12%	10%	11%	16%	13%
Fx-Neutral Y/Y Growth	10%	13%	15%	15%	16%	13%
Vehicles GMV	1,864	1,871	2,021	1,994	1,727	1,686
Y/Y Growth	-3%	-9%	-10%	-7%	-7%	-10%
Fx-Neutral Y/Y Growth	-3%	-8%	-7%	-5%	-8%	-10%
Fixed price as a % of GMV	64%	64%	65%	66%	68%	68%
Marketplaces Segment Margin	40.6%	38.7%	39.6%	39.0%	41.5%	42.1%

Active user growth driven by mobile, site enhancements and emerging markets

GMV* growth driven primarily by improved customer experience, increased mobile engagement, and strong performance in Clothing & Accessories and Home & Garden

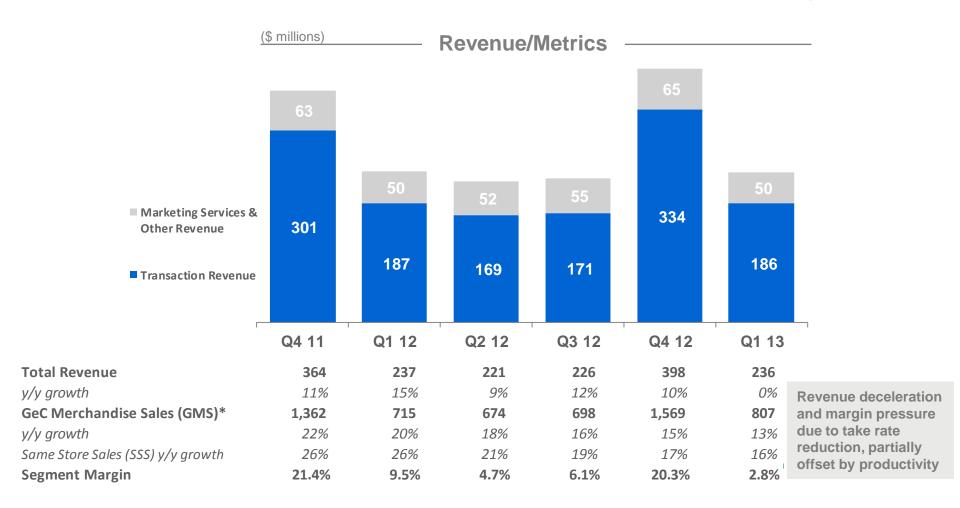
Continued mix shift with fixed price GMV* growth of 17% and auctions GMV* growth of 2%

Vehicles sales shifting to lead gen model, which is not represented in GMV

*FX-neutral, Non-Vehicles GMV



Business Update... GSI Revenue and Operating Metrics

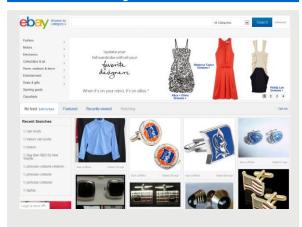


*GeC merchandise sales (GMS) represents the retail value of all sales transactions, inclusive of freight charges and net of allowances for returns and discounts, which flow through the GSI ecommerce platform, whether we record the full amount of such transaction as a product sale or a net amount of such transaction as a service fee Reconciliation of GSI revenue / operating metrics to amounts reported in eBay Inc.'s financial statements can be found in the Appendix of this presentation



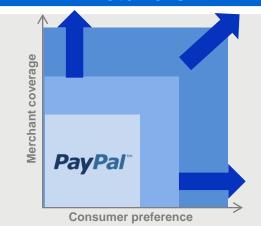
GSI... Delivering value and growing relationships

Retailers continue to benefit from the eBay Channel



- First GSI client live on Global Shipping Platform, accessing new global consumers
- Managing highly curated sales for key clients
- Goal of 30+ client sites by end of 2013

PayPal ubiquity driving business impact for retailers



- >90% coverage...14% share of checkout
- PayPal enables mobile payments for ~70% of GSI clients' mobile sites
- PayPal LatAm program enables GSI clients to reach new markets

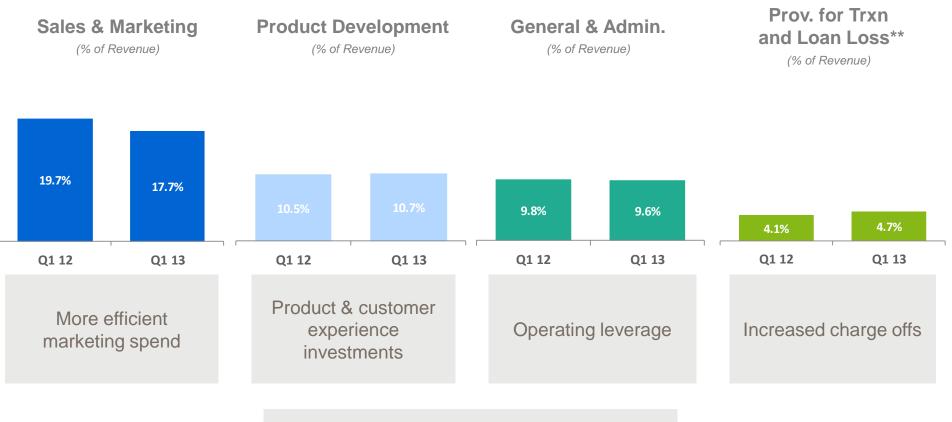
eBay technologies helping retailers innovate



- Engaging consumers by developing digital technologies
 - In-store wall: Gift finder & item locator
 - 24/7: Exterior window touchscreen
- 4 GSI clients offering local delivery through eBay Now



Business Update... Operating Expenses*



Q1-13 Non-GAAP Op Inc: \$1,025M

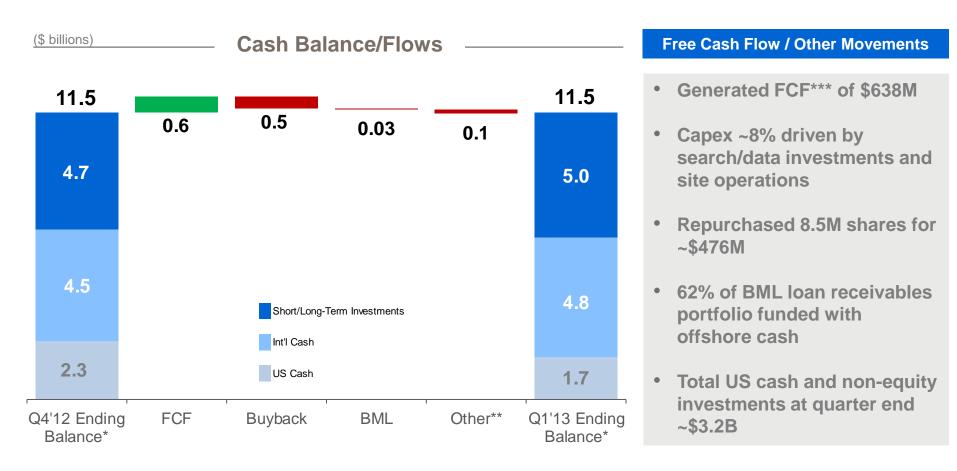
Q1-13 Non-GAAP Net Inc: \$829M

^{**}Prov. for Trxn and Loan Loss includes Marketplaces and PayPal transaction loss, Marketplaces consumer protection programs, bad debt expense and BML loan loss Calculations of Non-GAAP Operating Income and Non-GAAP Net Income are included in the Appendix of this presentation



^{*}All expenses are shown on a non-GAAP basis (calculations can be found in the Appendix of this presentation)

Q1-13 Cash Flow/Capital Allocation



^{*}Cash balances/flows include cash, cash equivalents and non-equity investments

^{***}Calculation of Free Cash Flow is included in the Appendix of this presentation



^{**}Other includes primarily FX impact and employee stock plans

Guidance... Context on our outlook (v. January)

- First, from a macro economic perspective...we are assuming a stable environment...U.S. slightly better...Europe slightly worse interest rates continue...eurrencies remain at current levels
- Second, from an industry perspective, Web enabled commerce expands...ecommerce growth low to midteens...mobile penetration increases
- Third, from an eBay Inc. perspective, continued momentum...
 investing to help our clients compete and win...and expanding
 our addressable market



2013 Guidance

	Maintaining FY 2013 Guidance							
	<u>Low</u>	<u>High</u>						
Revenue (in billions)	\$16.00	\$16.50						
Y/Y Growth	14%	17%						
Non-GAAP EPS*	\$2.70	\$2.75						
Y/Y Growth	14%	16%						
Free Cash Flow (in billions)	\$3.1	\$3.4						

...for the 2nd Quarter

- Revenue of \$3.80 3.90B (12 15% Y/Y)
- Non-GAAP EPS* \$0.61 0.63 (9 13% Y/Y)... investing to grow in our expanded addressable market and to accelerate our rate of innovation

*Calculation of Non-GAAP EPS is included in the Appendix of this presentation



Summary

- Strong quarter for our core businesses... while continuing to test and learn in "adjacencies" (MS&O, credit) and "seeds" (local, geographic expansion, omnichannel)
- PayPal continues its strong growth... increasing focus on simplifying and improving customer experience
- Marketplaces is strong, particularly in the U.S., driven by investments in the buyer and seller experience
- GSI performing in line with expectations... aligning interest with clients and continuing to invest in technology and growing client portfolios
- Investing for long-term... focused on delivering omnichannel technology and commerce solutions to a larger addressable market



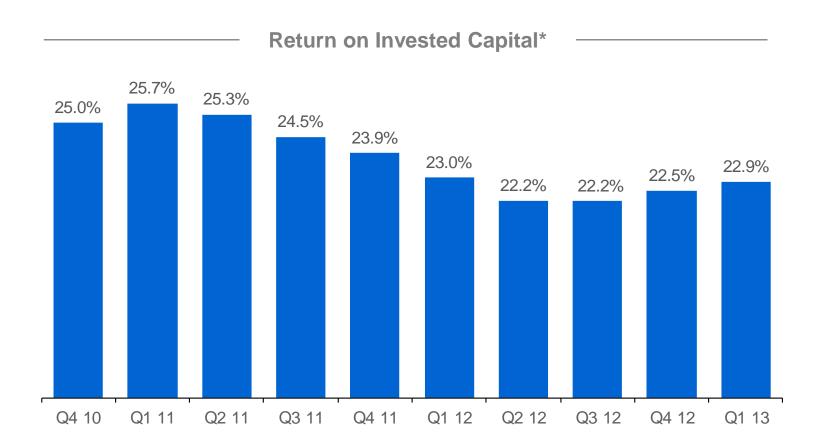
Q&A



Appendix



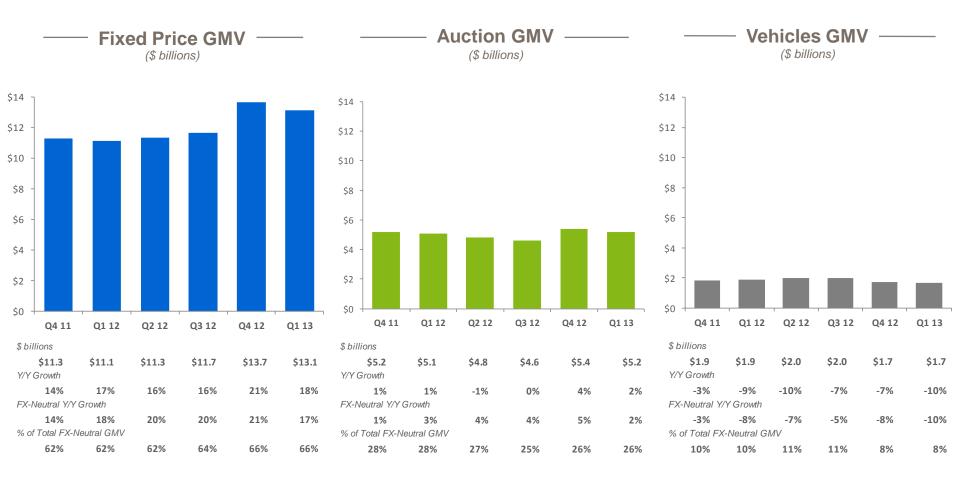
Q1-13 Summary... RoIC*



*Trailing 12-month Pro-Forma Net Operating Profits After Tax / (Average Total Assets – 95% of Average Cash, Cash Equivalents, and Investments - Average Current Liabilities) Calculation of Return on Invested Capital is included in the Appendix of this presentation



Business Update... GMV-Based Formats



Strong performance ...

... Stable dollar volume as shift continues to fixed price ...

... Shifting from GMV to lead gen model



Calculation of Organic Revenue Growth

	Mar 31,	Jun 30,	Sept 30,	Dec 31,
	2011	2011	2011	2011
Total revenue growth	16 %	25 %	32 %	35 %
Acquisition/Disposition impact	(1)%	(2)%	(11)%	(16)%
Foreign currency impact	(1)%	(2)%	(3)%	%
Total organic revenue growth	14 %	18 %	18 %	19 %

	Mar 31,	Jun 30,	Sept 30,	Dec 31,
	2012	2012	2012	2012
Total revenue growth	29 %	23 %	15 %	18 %
Acquisition/Disposition impact	(11)%	(8)%	%	1 %
Foreign currency impact	%	3 %	3 %	%
Total organic revenue growth	18 %	18 %	18 %	19 %

	Mar 31,
	2013
Total revenue growth	14 %
Acquisition/Disposition impact	0.5 %
Foreign currency impact	0.5 %
Γotal organic revenue growth	15 %



Reconciliation of Quarterly GAAP to Non-GAAP Operating Margin

	_			(in	mi <u>llio</u>	ons)									
]	Mar 31,	Jun 30,	Sept 30,	De	ec 31,	Mar 3	1,	Jun 30,		Sept 30,		Dec 31,		Mar 31,
	_	2011	2011	2011	2	2011	2012		2012		2012		2012	_	2013
GAAP operating income (loss) Stock-based compensation expense and related employer payroll taxes Acquisition related transaction	\$	565 \$ 132	120	\$ 537 110	\$	754 112		53 \$ 25	695 129	\$	667 125	\$	874 130	\$	800 129
expense			57	_		1	-	_	_		_		_		_
Amortization of acquired intangible assets (1)		52	66	104		105	10)5	103		103		101		100
Restructuring	_							_					31		(4)
Non-GAAP operating income	\$_	749 \$	762	\$ 751	\$	972	\$ 8	<u>33</u> \$	927	\$_	895	\$_	1,136	\$_	1,025
Revenues	\$	2,546 \$	2,760	\$ 2,966	\$	3,380	\$ 3,2	77 \$	3,398	\$	3,404	\$	3,992	\$	3,748
GAAP operating margin		22.2 %	18.8 %	18.1 %	Ź	22.3 %	19.9	%	20.5 %		19.6 %		21.9 %		21.3 %
Non-GAAP operating margin		29.4 %	27.6 %	25.3 %	,	28.7 %	26.9	%	27.3 %		26.3 %		28.5 %		27.4 %

⁽¹⁾ Includes amortization of acquired intangible assets within cost of net revenues and operating expenses.



Reconciliation of Quarterly GAAP to Non-GAAP Net Income / EPS

				(in millions	, except per	hare data)			
	Mar31,	Jun 30,	Sept 30,	Dec 31,	Mar 31,	Jun 30,	Sept 30,	Dec 31,	Mar 31,
	2011	2011	2011	2011	2012	2012	2012	2012	2013
GAAP net income	\$ 476	\$ 283 \$	491 \$	1,980 \$	570 \$	692 \$	597 \$	751 \$	677
Stock-based compensation expense and related employer payroll taxes	132	120	110	112	125	129	125	130	129
Acquisition related transaction expense Amortization of acquired intangible assets	_	57	_	1	_	_	_	_	_
(1)	52	66	104	105	105	103	103	101	100
Restructuring	_	_	_	_	_	_	_	31	(4)
Skype sale and transaction related items	_	_	_	(1,664)	_	_	(2)	_	_
Amortization of intangibles and stock- based compensation for Skype	9	10	24	_	_	_	_	_	_
Gain from the acquisition of a business	_	(17)	(56)	_	_	_	_	_	_
Acquisition related items	_	_	_	_	_	_	_	(1)	_
Loss on divested business	_	256	_	_	3	_	_	_	_
Accretion of note receivable	_	_	(4)	(4)	(9)	(5)	(4)	(4)	(5)
Amortization of intangibles	_	_	_	_	_	_	_	_	2
Gain from the divestiture of a business	_	_	_	_	_	(118)	_	_	_
Income taxes associated with certain non-GAAP entries	(50)	(144)	(41)	259	(69)	(71)	(101)	(81)	(70)
Non-GAAP net income	\$ 619	\$ 631 \$	628 \$	789 \$	725	730 \$	718 \$	927 \$	829
Non-GAAP net income per diluted share	\$	\$\$	0.48 \$	0.60 \$	0.55	0.56 \$	0.55 \$	0.70 \$	0.63
Shares used in non-GAAP diluted share calculation	1,320	1,315	1,309	1,308	1,308	1,309	1,314	1,318	1,319

⁽¹⁾ Includes amortization of acquired intangible assets within cost of net revenues and operating expenses.



Reconciliation of Quarterly GAAP to Non-GAAP Quarterly Statement of Income

		1	Three Months E		Three Months Ended								
	_		March 31, 20	13			March 31, 2012						
			Non-GAAP						Non-GAAP				
	-	Reported	Entries		Non-GAAP		Reported	-	Entries		Non-GAAP		
			(in mi				e data and per		tages)				
Net revenues	\$	3,748		\$	3,748	\$	3,277	\$	_	\$	3,277		
Cost of net revenues		1,152	(13)	(a)	1,121		983		(14)	(a)	948		
			(18)	(c)					(21)	(c)			
Gross Profit	-	2,596	31		2,627		2,294	-	35		2,329		
Operating expenses:													
Sales and marketing		697	(33)	(a)	664		677		(30)	(a)	647		
Product development		434	(32)	(a)	402		374		(30)	(a)	344		
General and administrative		408	(33)	(a)	361		372		(37)	(a)	321		
			(18)	(b)					(14)	(b)			
			4	(e)									
Provision for transaction and loan losses Amortization of acquired		175	_		175		134		_		134		
intangible assets	_	82	(82)	(c)			84	_	(84)	(c)			
Total operating expense	_	1,796	(194)		1,602		1,641	_	(195)		1,446		
Income from operations		800	225		1,025		653		230		883		
Interest and other income, net		9	2	(r)	6		31		3	(k)	25		
Accretion of note receivable	_		(5)	(m)				_	(9)	(m)			
Income before income taxes		809	222		1,031		684		224		908		
Provision for income taxes	_	(132)	(70)	(d)	(202)		(114)	_	(69)	(d)	(183)		
Net income	\$	677	152	\$	829	\$	570	\$	155	\$	725		
Net income per share:													
Basic	\$	0.52		\$	0.64	\$	0.44			\$	0.56		
Diluted	\$	0.51		\$	0.63	\$	0.44			\$	0.55		
Weighted average shares:													
Basic	_	1,295			1,295		1,288				1,288		
Diluted	=	1,319			1,319		1,308				1,308		
Operating margin	-	21 %	6 %		27 %		20 %		7 %		27 %		
Effective tax rate	_	16 %	4 %		20 %	. <u>-</u>	17 %	=	3 %		20 %		

Notes:

- (a) Stock-based compensation expense
- (b) Employer payroll taxes on stock-based compensation
- (c) Amortization of acquired intangible assets and developed technology
- (d) Income taxes associated with certain non-GAAP entries
- (e) Restructuring charges
- (k) Loss on divested business
- (m) Accretion of note receivable
- (r) Intangible amortization



Calculation of Free Cash Flow

	_		Three Month	s Ended		
		Mar 31,	Jun 30,	Sept 31,	Dec 31,	Full Year
	_	2011	2011	2011	2011	2011
			(iı	n millions)		
GAAP operating cash	_					
flow Purchases of property	\$	700 \$	783 \$	809 \$	983 \$	3,274
and						
equipment, net		(149)	(240)	(283)	(292)	(963)
Free cash flow	\$ _	551 \$	543 \$	526 \$	691 \$	2,311
	_		Three Month			
		Mar 31, 2012	Jun 30, 2012	Sept 31, 2012	Dec 31, 2012	Full Year 2012
	-	2012		n millions)	2012	2012
GAAP operating cash			(-			
flow	\$	531 \$	768	1,154	1,386	3,838
Purchases of property						
and equipment, net		(242)	(357)	(362)	(296)	(1,257)
Free cash flow	\$	289 \$	411	792	1,090	2,581
					2,020	
		Three				
		Months				
	-	Ended Mar 31,				
		2013				
	-	(in millions)				
GAAP operating cash						
flow	\$	937				
Purchases of property and						
equipment, net		(299)				
Free cash flow	\$	638				



Reconciliation and Calculation of Return on Invested Capital

In millions, except percentages										
Numerator components:	Q1'11	Q2'11	Q3'11	Q4'11	Q1'12	Q2'12	Q3'12	Q4'12	1	Q1'13
Non-GAAP operating income	\$ 749	\$ 762	\$ 751	\$ 972	\$ 883	\$ 927	\$ 895	\$ 1,136	\$	1,025
Taxrate	19 %	19 %	21 %	20 %	20 %	24 %	20 %	18 %		20 %
Non-GAAP operating income after tax	\$ 608	\$ 614	\$ 594	\$ 778	\$ 705	\$ 705	\$ 719	\$ 929	\$	825
	04144	00144	00111	0.444	04144	00110	02112	0.414.6		04144
Denominator components:	Q1'11	Q2'11	Q3'11	Q4'11	Q1'12	Q2'12	Q3'12	Q4'12		Q1'13
Total assets Total cash, cash equivalents and	\$23,005	\$24,834	\$24,901	\$27,320	\$28,207	\$28,258	\$32,502	\$ 37,274	\$	38,000
investments	\$ 9,480	\$ 7,475	\$ 7,031	\$ 8,382	\$ 8,732	\$ 8,384	\$11,635	\$ 12,452	\$	12,574
Current liabilities	\$ 4,763	\$ 6,143	\$ 6,145	\$ 6,734	\$ 6,965	\$ 6,800	\$ 7,061	\$ 11,066	\$	11,721
TTM Non-GAAP operating income after										
tax	\$ 2,304	\$ 2,407	\$ 2,491	\$ 2,594	\$ 2,691	\$ 2,782	\$ 2,906	\$ 3,057	\$	3,177
TTM average total assets	20,479	21,708	22,938	24,413	25,653	26,704	28,238	30,712		32,808
TTM 95% of average cash,										
cash equivalents and investments	7,465	7,649	7,707	7,882	7,809	7,601	8,392	9,421		10,218
TTM average current liabilities	4,048	4,559	5,076	5,661	6,150	6,558	6,741	7,725		8,694
ROIC	25.7 %	25.3 %	24.5 %	23.9 %	23.0 %	22.2 %	22.2 %	22.5 %		22.9 %



Q2'13 and FY 2013 GAAP and Non-GAAP Guidance

Three Months Ending

June 30, 2013

		,
(in millions, except per share amounts)	GAAP	Non-GAAP (a)
Revenues	\$3,800 - \$3,900	\$3,800 - \$3,900
Diluted EPS	\$0.46 - \$0.48	\$0.61 - \$0.63

(a) Estimated non-GAAP amounts above for the three months ending June 30, 2013, reflect adjustments that exclude the estimated amortization of acquired intangible assets of approximately \$95-\$105 million, estimated stock-based compensation expense and employer payroll taxes on stock-based compensation expense of approximately \$145-\$155 million, and the accretion of a note receivable of approximately \$5 million as well as the related tax impact.

Full Year Ending

December 31, 2013

(in millions, except per share amounts)	GAAP	Non-GAAP (b)
Revenues	\$16,000 - \$16,500	\$16,000 - \$16,500
Diluted EPS	\$2.23 - \$2.29	\$2.70 - \$2.75
Tax rate	14.5% -15.5%	18.5% -19.5%

(b) Estimated non-GAAP amounts above for the 12 months ending December 31, 2013, reflect adjustments that exclude the estimated amortization of acquired intangible assets of approximately \$380-\$400 million, estimated stock-based compensation expense and employer payroll taxes on stock-based compensation expense of approximately \$560-\$600 million, and the accretion of a note receivable of approximately \$20 million as well as the related tax impact.



Reconciliation of GSI Revenue / Operating Metrics

All figures is US\$ Millions	Q4'12
GeC Merchandise Sales (GMS) Volume:	
As reported in eBay Inc. financial statements	1,595
Accounting adjustment	(26)
Adjusted GeC MS Volume	1,569
GeC Merchandise Sales (GMS) y/y Growth:	
As reported in eBay Inc. financial statements	17%
Accounting adjustment	-2%
Adjusted GeC MS Volume	15%
Same Store Sales (SSS) y/y Growth:	
As reported in eBay Inc. financial statements	19%
Accounting adjustment	-2%
Adjusted SSS y/y Growth	17%

