

eBay Inc.
Recasted (Unaudited)
Condensed Consolidated Statement of Income from Continuing Operations - GAAP
(U.S. Dollars In Millions, Except Per Share Amounts and Percentages)

	Three Months Ended								Year Ended December 31,	
	Dec 31, 2017	Sep 30, 2017	Jun 30, 2017	Mar 31, 2017	Dec 31, 2016	Sep 30, 2016	Jun 30, 2016	Mar 31, 2016	2017	2016
Net revenues	\$ 2,706	\$ 2,498	\$ 2,419	\$ 2,303	\$ 2,474	\$ 2,299	\$ 2,309	\$ 2,216	\$ 9,926	\$ 9,298
Cost of net revenues	590	556	560	514	538	499	491	477	2,220	2,005
Gross profit	2,116	1,942	1,859	1,789	1,936	1,800	1,818	1,739	7,706	7,293
Operating expenses:										
Sales and marketing	784	719	727	648	689	682	701	618	2,878	2,690
Product development	317	316	313	278	292	287	296	239	1,224	1,114
General and administrative	264	253	267	246	248	226	217	209	1,030	900
Provision for transaction losses	79	69	63	61	59	56	64	52	272	231
Amortization of acquired intangible assets	10	10	9	9	10	9	7	8	38	34
Total operating expenses	1,454	1,367	1,379	1,242	1,298	1,260	1,285	1,126	5,442	4,969
Income (loss) from operations	662	575	480	547	638	540	533	613	2,264	2,324
Interest and other income (expense), net	(102)	120	(18)	11	1,366	(10)	(8)	(22)	11	1,326
Income from continuing operations before income taxes	560	695	462	558	2,004	530	525	591	2,275	3,650
Provision for income taxes	(3,158)	(174)	(432)	476	3,945	(114)	(87)	(109)	(3,288)	3,635
Income from continuing operations	\$(2,598)	\$ 521	\$ 30	\$ 1,034	\$ 5,949	\$ 416	\$ 438	\$ 482	\$ (1,013)	\$ 7,285
Net income from continuing operations per basic share	\$ (2.51)	\$ 0.49	\$ 0.03	\$ 0.95	\$ 5.38	\$ 0.37	\$ 0.38	\$ 0.42	\$ (0.95)	\$ 6.43
Net income from continuing operations per diluted share	\$ (2.51)	\$ 0.48	\$ 0.03	\$ 0.94	\$ 5.32	\$ 0.37	\$ 0.38	\$ 0.41	\$ (0.95)	\$ 6.37
Weighted average shares:										
Basic	1,035	1,062	1,076	1,083	1,106	1,126	1,144	1,159	1,064	1,133
Diluted	1,035	1,078	1,091	1,102	1,119	1,139	1,149	1,170	1,064	1,144
Operating margin	24.5%	23.0%	19.8%	23.7%	25.8%	23.5%	23.1%	27.7%	22.8%	25.0%

* Information has been recast to reflect the adoption of Accounting Standards Codification Topic 606, Revenue from Contracts with Customers, which we will adopt on January 1, 2018.

eBay Inc.
Unaudited Condensed Consolidated Statement of Income from Continuing Operations - Non-GAAP Adjustments
(U.S. Dollars In Millions, Except Per Share Amounts)

	Three Months Ended								Year Ended December 31,	
	December 31, 2017	September 30, 2017	June 30, 2017	March 31, 2017	December 31, 2016	September 30, 2016	June 30, 2016	March 31, 2016	2017	2016
Net revenues	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —
Cost of net revenues	(19) (a)(b)	(19) (a)(b)	(21) (a)(b)	(18) (a)(b)	(19) (a)(b)	(18) (a)(b)	(16) (a)(b)	(13) (a)(b)	(77) (a)(b)	(66) (a)(b)
Gross profit	19	19	21	18	19	18	16	13	77	66
Operating expenses:										
Sales and marketing	(27) (a)	(19) (a)	(28) (a)	(21) (a)	(24) (a)	(24) (a)	(26) (a)	(21) (a)	(95) (a)	(95) (a)
Product development	(47) (a)	(45) (a)	(50) (a)	(36) (a)	(40) (a)	(37) (a)	(41) (a)	(29) (a)	(178) (a)	(147) (a)
General and administrative	(42) (a)	(42) (a)	(49) (a)(d)	(35) (a)	(33) (a)(d)	(33) (a)	(28) (a)(d)	(29) (a)(d)	(168) (a)(d)	(123) (a)(d)
Amortization of acquired intangible assets	(10) (b)	(10) (b)	(9) (b)	(9) (b)	(10) (b)	(9) (b)	(7) (b)	(8) (b)	(38) (b)	(34) (b)
Total operating expenses	(126)	(116)	(136)	(101)	(107)	(103)	(102)	(87)	(479)	(399)
Income from operations	145	135	157	119	126	121	118	100	556	465
Interest and other income (expense), net	60 (e)	(167) (d)	— (e)	(16) (e)	(1,334) (e)	—	(35) (e)	—	(123) (d)(e)	(1,369) (e)
Income from continuing operations before income taxes	205	(32)	157	103	(1,208)	121	83	100	433	(904)
Provision for income taxes	3,010 (c)(h)	23 (c)	309 (c)(g)	(600) (c)(f)(g)	(4,139) (c)(f)	(30) (c)	(24) (c)	(32) (c)	2,742 (c)(f)(g)(h)	(4,225) (c)(f)
Net income from continuing operations	<u>\$ 3,215</u>	<u>\$ (9)</u>	<u>\$ 466</u>	<u>\$ (497)</u>	<u>\$ (5,347)</u>	<u>\$ 91</u>	<u>\$ 59</u>	<u>\$ 68</u>	<u>\$ 3,175</u>	<u>\$ (5,129)</u>

- (a) Stock-based compensation expense and related employer payroll taxes
- (b) Amortization of acquired intangible assets
- (c) Income taxes associated with certain non-GAAP entries
- (d) Other significant gains, losses or charges
- (e) Gains or losses on investments
- (f) Tax effect of step-up of intangible assets basis
- (g) Foreign exchange effect of step-up of intangible assets basis
- (h) Tax effects of US Tax Reform

eBay Inc.
Recasted (Unaudited)
Condensed Consolidated Statement of Income from Continuing Operations - Non-GAAP
(U.S. Dollars In Millions, Except Per Share Amounts)

	Three Months Ended								Year Ended December 31,	
	Dec 31, 2017	Sep 30, 2017	Jun 30, 2017	Mar 31, 2017	Dec 31, 2016	Sep 30, 2016	Jun 30, 2016	Mar 31, 2016	2017	2016
Net revenues	\$ 2,706	\$ 2,498	\$ 2,419	\$ 2,303	\$ 2,474	\$ 2,299	\$ 2,309	\$ 2,216	\$ 9,926	\$ 9,298
Cost of net revenues	571	537	539	496	519	481	475	464	2,143	1,939
Gross profit	2,135	1,961	1,880	1,807	1,955	1,818	1,834	1,752	7,783	7,359
Operating expenses:										
Sales and marketing	757	700	699	627	665	658	675	597	2,783	2,595
Product development	270	271	263	242	252	250	255	210	1,046	967
General and administrative	222	211	218	211	215	193	189	180	862	777
Provision for transaction losses	79	69	63	61	59	56	64	52	272	231
Total operating expenses	1,328	1,251	1,243	1,141	1,191	1,157	1,183	1,039	4,963	4,570
Income from operations	807	710	637	666	764	661	651	713	2,820	2,789
Interest and other income (expense), net	(42)	(47)	(18)	(5)	32	(10)	(43)	(22)	(112)	(43)
Income from continuing operations before income taxes	765	663	619	661	796	651	608	691	2,708	2,746
Provision for income taxes	(148)	(151)	(123)	(124)	(194)	(144)	(111)	(141)	(546)	(590)
Net income from continuing operations	\$ 617	\$ 512	\$ 496	\$ 537	\$ 602	\$ 507	\$ 497	\$ 550	\$ 2,162	\$ 2,156
Net income from continuing operations per basic share	\$ 0.60	\$ 0.48	\$ 0.46	\$ 0.50	\$ 0.54	\$ 0.45	\$ 0.43	\$ 0.47	\$ 2.03	\$ 1.90
Net income from continuing operations per diluted share	\$ 0.59	\$ 0.47	\$ 0.45	\$ 0.49	\$ 0.54	\$ 0.45	\$ 0.43	\$ 0.47	\$ 2.00	\$ 1.88
Weighted average shares:										
Basic	1,035	1,062	1,076	1,083	1,106	1,126	1,144	1,159	1,064	1,133
Diluted	1,051	1,078	1,091	1,102	1,119	1,139	1,149	1,170	1,081	1,144
Operating margin	29.8%	28.4%	26.4%	28.9%	30.9%	28.8%	28.2%	32.2%	28.4%	30.0%

* Information has been recast to reflect the adoption of Accounting Standards Codification Topic 606, Revenue from Contracts with Customers, which we will adopt on January 1, 2018.

eBay Inc.
Recasted (Unaudited)
Summary of Consolidated Net Revenues by Type
(U.S. Dollars In Millions, Except Percentages)

	Three Months Ended								Year Ended December 31,	
	Dec 31, 2017	Sep 30, 2017	Jun 30, 2017	Mar 31, 2017	Dec 31, 2016	Sep 30, 2016	Jun 30, 2016	Mar 31, 2016	2017	2016
Net transaction revenues:										
Marketplace	\$ 1,822	\$ 1,698	\$ 1,679	\$ 1,609	\$ 1,681	\$ 1,567	\$ 1,599	\$ 1,578	\$ 6,808	\$ 6,425
<i>Current period vs prior year period</i>	8%	8%	5%	2%	n/a	n/a	n/a	n/a	6%	n/a
<i>Percent from international</i>	62%	62%	61%	60%	62 %	62%	63%	61%	61%	62%
StubHub	306	270	229	206	274	260	226	178	1,011	938
<i>Current period vs prior year period</i>	12%	4%	1%	16%	n/a	n/a	n/a	n/a	8%	n/a
<i>Percent from international</i>	6%	4%	5%	4%	3 %	2%	1%	2%	5%	2%
Total net transaction revenues	2,128	1,968	1,908	1,815	1,955	1,827	1,825	1,756	7,819	7,363
<i>Current period vs prior year period</i>	9%	8%	4%	3%	n/a	n/a	n/a	n/a	6%	n/a
<i>Percent from international</i>	54%	54%	55%	54%	54 %	54%	55%	55%	54%	55%
Marketing services and other revenues:										
Marketplace	333	293	283	283	313	273	277	274	1,192	1,137
<i>Current period vs prior year period</i>	6%	7%	2%	4%	(4)%	3%	10%	17%	5%	6%
<i>Percent from international</i>	53%	52%	51%	47%	48 %	45%	46%	44%	51%	46%
Classifieds	244	235	219	199	201	197	207	186	897	791
<i>Current period vs prior year period</i>	21%	19%	6%	7%	10 %	11%	15%	15%	13%	13%
<i>Percent from international</i>	100%	100%	100%	100%	100 %	100%	100%	100%	100%	100%
StubHub, Corporate and other	1	2	9	6	5	2	—	—	18	7
Total marketing services and other revenues	578	530	511	488	519	472	484	460	2,107	1,935
<i>Current period vs prior year period</i>	11%	12%	6%	6%	3 %	7%	14%	17%	9%	10%
<i>Percent from international</i>	73%	73%	73%	69%	68 %	68%	69%	67%	72%	68%
Total net revenues	\$ 2,706	\$ 2,498	\$ 2,419	\$ 2,303	\$ 2,474	\$ 2,299	\$ 2,309	\$ 2,216	\$ 9,926	\$ 9,298
<i>Current period vs prior year period</i>	9%	9%	5%	4%	n/a	n/a	n/a	n/a	7%	n/a

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