



# CORPORATE DEVELOPMENT AT A GLANCE

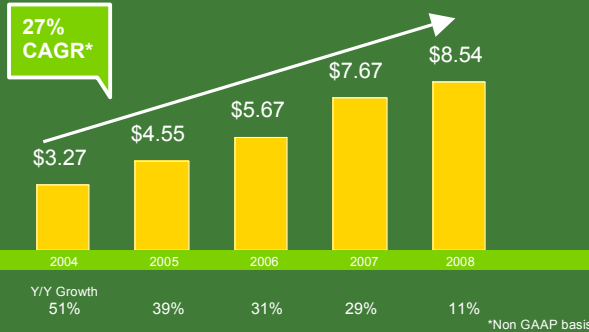
## eBay Inc.: A Growing Portfolio

With a strong portfolio of brands, eBay Inc. is a global leader in three of the Internet's most common activities: commerce, payments and communications. Founded in 1995 as a U.S.-only marketplace focused on collectibles, eBay has grown significantly, largely through acquisitions. eBay Inc. looks for companies that support or extend existing businesses and/or help it enter new businesses. In every case, new properties not only strengthen eBay Inc.'s portfolio, but also support the company's vision of ecommerce.

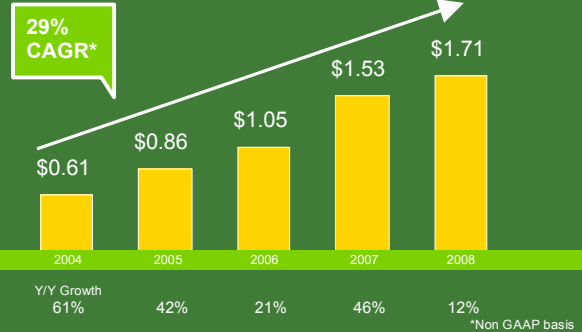
## Keys to Company Growth

In addition to strong organic growth, **acquisitions** have been a key growth driver. Since 1998, eBay Inc. has completed more than 30 acquisitions. Today, acquisitions account for about 47% of the company's revenue.

Strong Top Line Growth (in millions)



Strong EPS Growth



## A Methodical Approach to Corporate Development

**Strategy:** Build long-term shareholder value by acquiring and integrating companies that:

- Support our core businesses (online commerce, payments and communications) through expansion into new regions or new technologies
- Move us into adjacent product or business areas
- Open new lines of business

### Criteria

- Existence of synergies and/or complements to existing strategic objectives
- Clear and attainable/achievable integration goals
- No preference for deal size

### Integration

- Strong history of successful integrations in global markets
- Dedicated integration team
- Deals evaluated on a case by case basis to determine the best strategy

## Recent Acquisitions: Fall 2008



**Name:** Bill Me Later

**Location:** Timonium, MD

**Price:** Approx. \$945 million in cash and stock

**Strategic Fit:** Extends PayPal's leadership in online payments, combining Bill Me Later's unique transactional credit and promotional financing expertise with PayPal's global payments platform.

**Consumer Benefit:** Consumers can quickly, safely and easily purchase items online and pay for them immediately or when their budgets allow.

We have the financial flexibility to pursue attractive opportunities:

# \$3.2 billion

in cash and cash equivalents on balance sheet

# \$2.3 billion

in free cash flow in 2008



**Name:** Den Bla Avis & BilBasen

**Location:** Denmark

**Price:** Approx. \$400 million

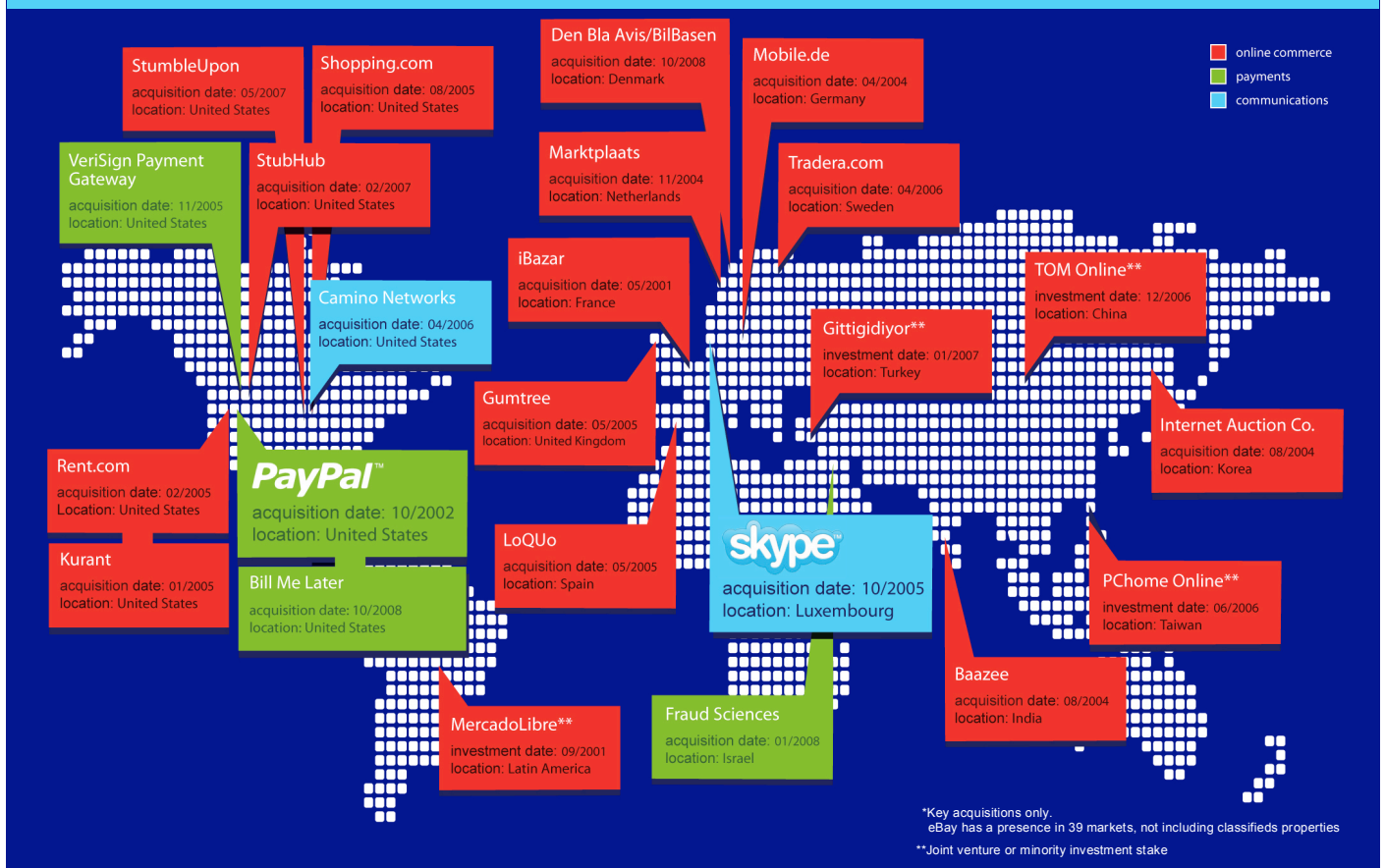
**Strategic Fit:** Extends eBay Classifieds geographic reach and strengthens the company's position in Scandinavia.

**Consumer Benefit:** Danish consumers will continue to enjoy existing online offerings with added eBay community offerings and support.



# CORPORATE DEVELOPMENT AT A GLANCE

## HOW THE PORTFOLIO\* WAS BUILT: 2001-PRESENT



## KEY ACQUISITIONS: PayPal & Skype



- Acquired in 2002 for \$1.5 billion.
- PayPal is the leading global online payment company — where any person or business with an email address can securely, easily and quickly send and receive payments online.
- **70 million** active users worldwide (2008)
- **190 markets** using **19 currencies**
- **\$2,056 in Total Payment Volume** transacted every second
- **Millions** of websites accept PayPal today



- Acquired in 2005 for \$3.1 billion.
- Skype is the global leader in Internet communications, allowing people everywhere to communicate via voice and video for free.
- **405 million** users worldwide (2008)
- **15 million** concurrent users
- **300,000** simultaneous calls
- **100 billion** minutes of Skype-to-Skype calls to date
- **28 languages** supported by Skype in nearly every country on earth

