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# PayPal and Discover to Bring PayPal to Millions of In-Store Locations

*PayPal's 50+ Million U.S. Customers Will Be Able to Pay with PayPal in Millions of Merchant Locations in 2013*

SAN JOSE, Calif. & RIVERWOODS, Ill.--(BUSINESS WIRE)--Today, PayPal announced an extension of its offline strategy by teaming up with Discover to bring PayPal to more than 7 million merchant locations across the U.S., and potentially to millions of international merchant locations in the future. Starting in 2013, Discover will work with PayPal to enable participating merchants to accept PayPal easily through their existing relationship with Discover. Consumers will be able to take advantage of the benefits of PayPal at these merchant locations, providing them with the simplicity, speed and security they've come to expect from PayPal across any channel, any time.

**"This initiative will result in real change and innovation for the industry by bringing new technologies to the point of sale that benefit merchants and PayPal customers."**

"We're delighted to enable PayPal's efforts to provide their U.S. customers acceptance at millions of physical point-of-sale locations by leveraging our unique payment services assets. The establishment of this relationship is a major industry milestone, which will help shape the emerging payments landscape by bringing together an established direct banking and payments company with a leading commerce enabler to create an alternative payments option for consumers at the point of sale," said Diane Offereins, President of Discover Payment Services. "This initiative will result in real change and innovation for the industry by bringing new technologies to the point of sale that benefit merchants and PayPal customers."

"We couldn't be more thrilled to work with Discover. This relationship quickly extends PayPal's reach to millions of merchant locations nationwide and is a milestone moment for us that will create new benefits for Discover merchants without requiring new hardware or software," said Don Kingsborough, PayPal's Vice President of Retail. "This relationship will deliver a truly seamless digital wallet, available most places consumers shop offline, which offers the speed, simplicity and security already enjoyed by 113 million active PayPal customers online."

Starting in 2013, participating merchants will be enabled to accept PayPal easily through their relationship with Discover. To offer PayPal, merchants will not have to install or upgrade existing point-of-sale hardware or software and consumers will know of this additional payments option through in-store signage. As a leader in online payments, PayPal expects to bring brick-and-mortar merchants more shoppers in store and to extend convenience and utility for consumers through innovative mobile payment solutions. Additionally, PayPal's 50+ million active U.S. customers are expected to help increase customer engagement, loyalty and incremental sales at the physical point of sale.

eBay will host a conference call to discuss the announcement and answer questions at 7:00 a.m. Pacific Time today. A live webcast of the conference call can be accessed through the company's Investor Relations website at http://investor.ebayinc.com. In addition, an archive of the webcast will be accessible for 90 days through the same link.

**About PayPal**

PayPal is the faster, safer way to pay and get paid online, via mobile devices and in store. The service allows people to send money without sharing financial information, with the flexibility to pay using their account balances, bank accounts, credit cards or promotional financing. With more than 113 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 www.paypal.com.

**About Discover**

Discover Financial Services (NYSE: DFS) is a direct banking and payment services company with one of the most recognized brands in U.S. financial services. Since its inception in 1986, the company has become one of the largest card issuers in the United States. The company operates the Discover card, America's cash rewards pioneer, and offers home loans, private student loans, personal loans, online savings accounts, certificates of deposit and money market accounts through its direct banking business. Its payment businesses consist of Discover Network, with millions of merchant and cash access locations; PULSE, one of the nation's leading ATM/debit networks; and Diners Club International, a global payments network with acceptance in more than 185 countries and territories. For more information, visit www.discoverfinancial.com.

**Forward-Looking Statements**

This press release contains forward-looking statements. Such statements are based upon the current beliefs and expectations of management of Discover Financial Services and PayPal, and are subject to significant risks and uncertainties. The following factors, among others, could cause actual results to differ materially from those set forth in the forward-looking statements: unexpected difficulties or delays in executing the proposed initiative, receptivity of marketplace participants to the initiative, changes in and/or regulatory interpretation of laws and regulations that impact the initiative, and other factors affecting the operating of the respective businesses of Discover Financial Services and PayPal, as applicable. Undue reliance should not be placed on the forward-looking statements in this release, which speak only as of the date of this press release and are based on information available to the companies on the date hereof, and Discover Financial Services and PayPal assume no obligation or undertaking to update or revise them as more information becomes available. Additional factors that could cause results to differ materially from those described in the forward-looking statements can be found under "Risk Factors" and "Management's Discussion and Analysis of Financial Condition and Results of Operations" in Discover’s Annual Report on Form 10-K for the year ended November 30, 2011, and Quarterly Report on Form 10-Qfor the quarter ended May 31, 2012 and eBay Inc.’s most recent annual report on Form 10-K and subsequent quarterly reports on Form 10-Q, which are on file with the SEC and available at the SEC's website at www.sec.gov.

Photos/Multimedia Gallery Available: http://www.businesswire.com/cgi-bin/mmg.cgi?eid=50384463&lang=en

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