October 19, 2000

eBay Inc. Releases Third Quarter 2000 Financial Results

Record Net Income of $15.2 Million - Doubling Sequentially
Online Revenues Year Over Year Growth of 108%
Record 2.9 Million New Users

SAN JOSE, Calif., Oct. 19 - eBay Inc. (Nasdaq: EBAY) (http://www.ebay.com), the world's largest online trading community, today reported financial results for its third quarter ended September 30, 2000.

eBay reported consolidated net revenues of $113.4 million in the third quarter of 2000, a 93.8 percent increase over the $58.5 million reported for the same period last year. Consolidated net income for the quarter was $15.2 million, or $0.05 per share on a diluted basis. eBay's consolidated net income excluding the effects of certain non-cash and stock-related charges was $19.1 million, or $0.07 per diluted share, compared with $3 million, or $0.01 per diluted share during the third quarter of 1999.

"eBay delivered record revenues, profits, new users and commerce this quarter," said Meg Whitman, President and CEO of eBay. "These results underscore the long-term power of the platform and our global community."

Key financial and operating metrics:

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-- Online Net Revenues -- eBay's online net revenues reached
   $102.8 million, a 108 percent increase over the $49.5 million in the
   third quarter of 1999.
-- Gross Merchandise Sales -- eBay users transacted a record $1.4 billion
   in gross merchandise sales (the value of goods traded on the eBay
   site), representing an 83 percent increase over the third quarter of
   1999.
-- Registered Users -- eBay expanded the number of registered users to
   18.9 million by quarter end, an increase of 146 percent from
   7.7 million on September 30, 1999.
-- Reported Net Income -- eBay's reported net income reached
   $15.2 million, more than twelve times the $1.2 million in the third
   quarter of 1999.
-- Auctions Hosted -- eBay hosted 68.5 million auctions during the third
   quarter, compared to 36.2 million during the same period last year.
   This represents year-over-year growth of 89 percent.
-- Cash Flow -- eBay generated more than $33 million in cash from
   operations in the third quarter, increasing total cash and financial
   instruments to $877 million.
-- Gross Margin -- Gross margin increased eight percentage points to
   79 percent this quarter from 71 percent in the third quarter of 1999.
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Key execution highlights:

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-- Launched the eBay France site on October 4, 2000.
   (http://pages.ebay.france.com/index.html)
-- Completed the acquisition of Half.com on July 11, 2000
   (http://www.half.com/)
-- Increased Billpoint listings and transactions by 35 percent and 40
   percent, respectively, from July to September.
   (http://pages.ebay.com/help/buyerguide/bp-overview.html)
-- Increased Automotive category listings to more than 71,000 representing
   a 40 percent growth over the prior quarter and formed strategic
   relationships with Titletransfer.com and CarFax.
   (http://www.ebaymotors.com/)
-- Launched the Real Estate category and announced a strategic
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relationship with Ziprealty.com. (http://pages.ebay.com/realestate/index.html)

- Launched eight new local trading sites: Baltimore, MD; Washington D.C.; Oakland, CA; San Jose, CA; Orange County, CA; Richmond, VA; Albany, NY; and Albuquerque-Santa Fe, NM. (http://pages.ebay.com/regional/hub.html)
- Announced a strategic alliance with UltimateBid for the trading of unique events and experiences. (http://pages.ebay.com/theme/tickets.html)
- Listed and sold the first five Sun Blade 1000 workstations autographed by Scott McNealy. (http://members.ebay.com/aboutme/auctions.sun.com/)
- Introduced the SellPhone service on Half.com that enables sellers to list items to the site with any telephone. (http://corp.half.com/20000912.html)
- Announced agreement with TradeOut, an Internet marketplace for surplus business assets that brings new buyers to eBay's Business Exchange. (http://pages.ebay.com/business_exchange/index.html)
- Rolled out Picture Services, an integrated "drag & drop" photo hosting service powered by IPIX for eBay users in all categories and on all country sites. (http://pages.ebay.com/help/basics/pictureservices.html)
- Brought fifteen government agencies to sell on eBay. (http://members.ebay.com/aboutme/oregontrail2000/)
- Announced "Remains of the Games" on eBay Australia where fans worldwide can bid for official items from the Sydney 2000 Olympics. (http://members.ebay.com.au/aboutme/sydney-olympics/)
- Announced Digital Opportunity Program for Seniors, an initiative designed to help senior citizens overcome the digital divide by providing easier access to technology and education. (http://www.ebay.com/seniors/)

Financial and operating summary:

The primary contributor to the quarter over quarter increase in the Company's net revenue was increased on-line revenue, primarily from strength in eBay's core business, early traction in new initiatives such as autos and international, and continued success in increasing monetization of the site. Net revenues from eBay's traditional off-line auction subsidiaries increased slightly from the prior quarter.

Gross margin improved as a percentage of revenue quarter on quarter due to the management of costs in customer support and site operations and increases in higher gross margin areas such as autos and end-to-end trading solutions. Sales and marketing increased on an absolute basis compared to the prior quarter but decreased slightly as a percentage of revenue. Product development cost increased due to an investment in engineering talent at both Half.com and eBay. General and administrative costs decreased due to efficiencies in personnel and outside professional service costs and to the recovery of legal expenses from a settlement of certain litigation.

For the third quarter, eBay recorded consolidated non-cash charges of $3.4 million related to stock-based compensation and approximately $0.9 million relating to acquired intangibles, payroll taxes on the exercise of employee stock options and one time merger-related expenses. eBay recorded a consolidated tax provision of $10.1 million representing an effective tax rate of 40 percent of third quarter consolidated pretax income.

The Company's overall balance sheet continued to improve during the third quarter of 2000 as consolidated assets increased by $25 million over the second quarter of 2000. The improvement resulted primarily from an increase of cash and investments driven by eBay's the more than $33 million positive cash flow from operations.

About eBay

eBay is the world's largest on-line trading community. Founded in 1995, eBay created a powerful marketplace for the sale of goods and services by a passionate community of individuals and businesses. On any given day, there are millions of items for sale on the site across thousands of categories. eBay enables trade on a local, national and international basis with local sites in 68 markets worldwide. and country specific sites in the United Kingdom, Canada, Germany, France, Japan and Australia. With the acquisition of Half.com in July 2000, eBay's community now benefits from a marketplace which includes traditional auction and fixed-price trading.

Forward Looking Statements

This announcement contains forward looking statements that involve risks and uncertainties, including those relating to the Company's ability to grow its business and user base. Actual results could differ materially from those discussed. Factors that could cause or contribute to such differences include, but are not limited to, the Company's need to manage both an increasingly broad range of businesses and significant growth, to deal with the increasingly competitive environment for online trading, to manage regulatory and litigation risks, to maintain site stability and to continue to expand its model outside of the U.S. More information about potential factors which could affect the Company's business and financial results is included in the Company's Form 10-K for the period ended December 31, 1999 and its 10-Qs for the periods ended March 31, 2000 and June 30, 2000 under the headings "Risk Factors" and "Management's Discussion and Analysis of Financial Condition and Results of Operations" and under the heading "Risk Factors" in its Registration Statement on Form S-3 filed on September 19, 2000. All forward looking statements are based on information available to the Company on the date hereof, and the Company assumes no obligation to update such statements.

eBAY INC.

CONDENSED CONSOLIDATED BALANCE SHEETS
(in thousands; unaudited)

	December 31, 1999	September 30, 2000
ASSETS		
Current assets:		
Cash and cash equivalents	$221,801	$130,558
Short-term investments	181,086	302,542
Accounts receivable, net	36,538	49,226
Other current assets	25,882	40,419
Total current assets	465,307	522,745
Property and equipment, net	112,202	122,054
Long-term investments	373,988	317,489
Restricted cash and investments	--	126,390
Deferred tax asset	5,639	10,887
Intangible and other assets, net	12,689	14,581
	$969,825	$1,114,146
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Accounts payable	$32,133	$18,796
Accrued expenses and other current liabilities	32,675	60,862
Deferred revenue and customer advances	5,997	5,170
Debt and leases, current	15,781	8,965
Income taxes payable	6,455	7,966
Total current liabilities	93,041	101,759
Debt and leases, long-term	15,023	22,887
Other liabilities	5,900	5,881
Minority interests	1,732	14,740
Total liabilities	115,696	145,267
Total stockholders' equity	854,129	968,879
	$969,825	$1,114,146

eBAY INC.

CONDENSED CONSOLIDATED STATEMENTS OF INCOME
(in thousands, except per share amounts; unaudited)

	Three Months Ended September 30,		Nine Months Ended September 30,	
	1999	2000	1999	2000

Net revenues	$58,525	$113,377	$150,805	$297,416
Cost of net revenues	17,081	23,912	36,003	71,499
Gross profit	41,444	89,465	114,802	225,917
Operating expenses:				
Sales and marketing	27,278	41,137	67,152	117,713
Product development	6,958	15,783	14,597	41,007
General and administrative	11,914	17,341	29,616	54,872
Payroll expense on employee stock options	--	17	--	1,752
Amortization of acquired intangibles	328	264	983	879
Merger related costs	--	607	4,359	1,431
Total operating expenses	46,478	75,149	116,707	217,654
Income (loss) from operations	(5,034)	14,316	(1,905)	8,263
Interest and other income, net	7,078	11,036	13,392	32,981
Income before income taxes	2,044	25,352	11,487	41,244
Provision for income taxes	(858)	(10,141)	(5,720)	(16,815)
Net income	$1,186	$15,211	$5,767	$24,429
Net income per share:				
Basic	$0.01	$0.06	$0.03	$0.10
Diluted	$0.00	$0.05	$0.02	$0.09
Weighted average shares				
Basic	227,975	255,741	212,488	249,070
Diluted	276,179	280,297	271,476	280,567

Supplemental (A)

Historical income (loss) from operations	$(5,034)	$14,316	$(1,905)	$8,263
Add back certain non-cash and merger costs:				
Amortization of stock-based compensation	1,377	3,360	3,652	6,720
Amortization of acquired intangibles (B)	430	264	1,210	879
Payroll expense on employee stock options	--	17	--	1,752
Merger related costs	--	607	4,359	1,431
Total add back	1,807	4,248	9,221	10,782
Supplemental income (loss from operations excluding certain non-cash and merger and stock option related charges	(3,227)	18,564	7,316	19,045
Interest and other income, net	7,078	11,036	13,392	32,981
Supplemental provision for income taxes (C)	(858)	(10,496)	(7,551)	(18,503)
Supplemental net income excluding				

certain non cash, merger and stock option related charges	$2,993	$19,104	$13,157	$33,523
Supplemental net income per share, diluted	$0.01	$0.07	$0.05	$0.12

(A) The accompanying supplemental financial information is presented for informational purposes only and should not be considered as a substitute for the historical financial information presented in accordance with generally accepted accounting principles.

(B) Expenses associated with the amortization of acquisition related charges may be included within cost of net revenues as well as operating expenses under the heading "amortization of acquired intangibles."

(C) Supplemental provision for income taxes includes a 42 percent tax effect for merger related costs in 1999 and a 42 percent tax effect for the first and second quarter in 2000 and a 40 percent tax effect for the third quarter in 2000 for the amortization of acquired intangibles, payroll expense on employee stock options and merger related costs.