



April 25, 2000

eBay Inc. Announces First Quarter 2000 Financial Results

eBay Reported a Record \$1.15 Billion in Gross Merchandise Sales in the Quarter, Surpassing the \$1 Billion mark for the first time

eBay Board of Directors Approves 2-for-1 Common Stock Split

San Jose, CA, April 25, 2000 - eBay Inc. (NASDAQ: EBAY; www.ebay.com), the world's largest online personal trading community, today reported financial results for its first quarter ended March 31, 2000.

The Company generated consolidated net revenues of \$85.8 million in the first quarter of 2000, a 100 percent increase over the \$42.8 million reported for the same period last year. Consolidated net income for the quarter was \$6.3 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 \$8.0 million, or \$0.06 per diluted share, compared with \$4.8 million, or \$0.04 per diluted share during the first quarter of 1999.

"In the first quarter of 2000, eBay achieved unprecedented financial and operational success," said Meg Whitman, President and CEO of eBay. "The Company is firing on all cylinders as it expands to become a truly global trading platform."

Key operating metrics and execution highlights:

- Online Net Revenues - eBay's online net revenues reached \$77.3 million, a 127 percent increase over the \$34.0 million in the first quarter of 1999.

- Gross Merchandise Sales - eBay achieved \$1.15 billion in gross merchandise sales (the value of goods traded on the eBay site), surpassing the \$1 billion mark for the first time and realizing a 113 percent increase over the first quarter of 1999.

- Registered Users - eBay expanded the number of registered users to 12.6 million by quarter end, an increase of 230 percent from 3.8 million on March 31, 1999. Moreover, the Company added a record 2.6 million new users in the quarter, more than in any other quarter in the Company's history.

- Auctions Hosted - eBay hosted 53.6 million auctions during the first quarter, compared to 22.9 million during the same period last year. This represents year-over-year growth of 133 percent.

- Announced a joint venture with Autotrader.com that is intended to create the Internet's largest auction-style marketplace for consumers and dealers to buy and sell used cars. (<http://pages.ebay.com/auto-index.html>)

- Announced a strategic alliance between Billpoint and Wells Fargo & Company to combine eBay's trading volume with Wells Fargo's payments expertise. (<http://www.ebay.com/help/buyerguide/bp-overview.html>)

- Announced a comprehensive four-year agreement between eBay and Go.com, a subsidiary of The Walt Disney Company, to develop and promote online trading on all of Disney's Internet properties.

- Launched eBay Japan through a joint venture agreement with NEC and its BIGLOBE internet service provider. (<http://pages.ebay.com/jpbridge.html>)

- Fully integrated Billpoint into eBay payment services, giving users the ease and convenience of paying online.

- Initiated listings fees for eBay Germany. (<http://www.ebay.de>)
- Grew revenue from Regional categories 2.5 times faster than the overall site. (<http://pages.ebay.com/search/items/search.html>)
- Launched eBay Business Exchange to serve the small business-to-business segment. (http://pages.ebay.com/business_exchange/)

Financial and operating summary:

The primary contributor to the increase in the Company's net revenues for the quarter was on-line auction activity. As expected, net revenues from eBay's traditional off-line auction subsidiaries decreased seasonally from the prior quarter.

In the first quarter, the Company continued to make significant investments in people, customer support, and equipment to support the site's infrastructure. Personnel costs were the largest single driver of expense growth. Both product development and general and administrative costs increased due to personnel additions and depreciation and amortization expense. General and administrative costs were impacted by increases in personnel and legal costs. Sales and marketing expenses also increased over the prior quarter as the Company invested in additional on-line advertising.

For the first quarter, eBay recorded consolidated non-cash amortization charges of \$1.1 million related to stock-based compensation and \$275,000 associated with acquired intangibles. The Company also recorded charges of \$901,000 associated with payroll taxes on the exercise of employee stock options. In addition, as a result of an accounting policy change relating to the recognition of listing fees, eBay had a one-time negative impact to online revenues of \$1.4 million. eBay recorded a consolidated tax provision of \$4.6 million representing an effective tax rate of 42 percent of first quarter consolidated pretax income.

The Company's overall balance sheet continued to improve during the first quarter of 2000. Consolidated assets increased \$72.0 million over the fourth quarter of 1999, primarily driven by increases of \$44.8 million in cash and investments, \$13.5 million in net fixed assets, and eBay's positive cash flow.

In other balance sheet activity, as part of the strategic alliance between Wells Fargo and Billpoint, Wells Fargo purchased a 35 percent equity interest in Billpoint from eBay. In addition, as part of the joint venture between NEC and eBay, NEC took a 30 percent equity interest in eBay Japan.

In addition, the Board of Directors of eBay has approved a 2-for-1 Common Stock split for shares of record as of May 9, 2000. The split will be effective on May 24, 2000.

About eBay

eBay (www.ebay.com), the world's personal trading communityTM, pioneered person-to-person online trading. Founded in 1995, eBay developed an efficient and entertaining trading site on the Web. Currently, there are millions of items listed for sale. More than half a million items are added daily in more than 4,300 categories including: automotive; antiques and art; books, movies and music; coins and stamps; collectibles; computers; dolls and doll houses; Great Collections; jewelry and gemstones; photo and electronics; pottery and glass; sports; toys and bean bag plush; and everything else. eBay is also engaged in the traditional auction business through its subsidiaries, Butterfield & Butterfield and Kruse International.

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 maintain site stability, to manage significant growth in all aspects of its business, to deal with the increasingly competitive environment for online trading and to successfully 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 under the headings "Risk Factors" and "Management's Discussion and Analysis of Financial Condition and Results of Operations." 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 SHEET (in thousands)

December 31,	March 31,
1999	2000

	audited	unaudited
ASSETS		
Current assets:		
Cash and cash equivalents	\$219,679	\$278,330
Short-term investments	181,086	66,521
Accounts receivable, net	36,538	34,850
Other current assets	22,531	37,009
Total current assets	459,834	416,710
Long-term investments	373,988	348,331
Restricted cash and investments	--	126,390
Property and equipment, net	111,806	125,314
Intangible assets, net	8,812	8,923
Deferred tax and other assets	9,502	10,290
	\$963,942	\$1,035,958

LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Accounts payable	\$31,538	\$26,349
Accrued expenses and other current liabilities	32,550	43,376
Debt and leases, current portion	12,285	13,304
Deferred revenue and customer advances	5,997	4,049
Income taxes payable	6,455	6,398
Total current liabilities	88,825	93,476
Debt and leases, long-term portion	15,018	14,828
Environmental and structural accrual	5,900	5,900
Minority interests	1,732	15,365
Total liabilities	111,475	129,569
Total stockholders' equity	852,467	906,389
	\$963,942	\$1,035,958

eBAY INC.

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

	Three Months Ended March 31,	
	1999	2000
Net revenues	\$42,801	\$85,753
Cost of net revenues	7,977	23,272
Gross profit	34,824	62,481
Operating expenses:		
Sales and marketing	16,958	33,940
Product development	2,163	11,119
General and administrative	7,614	15,794
Amortization of acquired intangibles	328	275
Payroll taxes on option exercises	--	901
Total operating expenses	27,063	62,029
Income from operations	7,761	452
Interest and other income, net	275	10,390
Income before income taxes	8,036	10,842
Provision for income taxes	(4,271)	(4,554)
Net income	\$3,765	\$6,288
Net income per share:		
Basic	\$0.04	\$0.05
Diluted	\$0.03	\$0.05

Weighted average shares:

Basic	97,681	118,926
Diluted	132,327	138,222

Supplemental (A)

Historical income from operations	\$7,761	\$452
Add back certain non-cash, merger and stock option related costs:		
Amortization of stock-based compensation	818	1,067
Amortization of acquired intangibles (B)	453	275
Payroll taxes on option exercises	--	901
Total add back	1,271	2,243
Supplemental income from operations excluding certain non-cash, merger and stock option related costs	9,032	2,695
Interest and other income, net	275	10,390
Supplemental provision for income taxes (C)	(4,461)	(5,048)
Supplemental net income excluding certain non-cash, merger and stock option related costs	\$4,846	\$8,037
Supplemental net income per share, diluted	\$0.04	\$0.06

(A) The accompanying supplemental financial information is presented for informational purposes only and should not be considered 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 are 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 the amortization of acquired intangibles and payroll taxes on option exercises.