January 16, 2003

eBay Inc. Announces Fourth Quarter and Year End 2002 Financial Results

SAN JOSE, Calif.--Jan. 16, 2003--eBay Inc. (Nasdaq:EBAY - News)

- Company Reports Record Quarterly Net Revenues of $413.9 million
- Achieves Record GAAP and Pro Forma Diluted EPS of $0.28
- Raises 2003 Net Revenue and EPS Guidance

eBay Inc. (Nasdaq:EBAY - News; www.ebay.com), the world's online marketplace, reported financial results for its fourth quarter and year ended December 31, 2002.

eBay reported consolidated net revenues for Q4-02 totaling a record $413.9 million. Consolidated net income for the quarter was a record $87.0 million, or $0.28 per diluted share. eBay's pro forma consolidated net income, excluding certain items, was a record $87.6 million, or $0.28 per diluted share, exceeding the company's October 30, 2002 guidance for pro forma earnings per diluted share of $0.22 to $0.23.

During Q4-02, consolidated net transaction revenues increased 122% year over year to a record $396.5 million, driven by 58% year-over-year transaction revenue growth in the core eBay U.S. business, 173% year-over-year transaction revenue growth internationally, and a $72.6 million transaction revenue contribution from PayPal.

For the full year, eBay generated consolidated net revenues of $1.21 billion, a 62% increase over the $748.8 million reported in 2001. Consolidated net income increased 176% year over year to $249.9 million, or $0.85 per diluted share. On a pro forma basis, eBay reported consolidated net income of $254.9 million, or $0.87 per diluted share, a 78% year-over-year increase from the $0.49 reported in 2001.

"Our Q4 results capped our most successful year ever," said Meg Whitman, President and CEO of eBay. "Our success goes hand in hand with the success of our vibrant community of users. The strength of our community, the growth of e-commerce, and our commitment to business excellence, all led to these great results."

Key Financial and Operating Metrics

Transaction Revenues -- Consolidated net transaction revenues totaled a record $396.5 million, representing 122% year-over-year quarterly growth from the $178.9 million reported in Q4-01.

Gross Profit -- Gross profit totaled a record $331.3 million, or 80% of quarterly net revenues, down from the 82% reported in Q4-01, reflecting an improved 86% gross margin for the core eBay business, offset by the lower margin PayPal business.

Operating Income -- Operating income for Q4-02 totaled a record $113.9 million or 28% of net revenues, representing a 174% increase over the $41.6 million reported in Q4-01. Pro forma operating income totaled a record $132.4 million, or 32% of net revenues which compares favorably to the 25% margin reported in Q4-01.

GAAP Net Income -- GAAP net income totaled a record $87.0 million, or $0.28 per diluted share. This earnings level represents a 235% increase over the $25.9 million reported in Q4-01.

Pro Forma Net Income -- Pro forma net income totaled a record $87.6 million, or $0.28 per diluted share. This earnings level represents a 128% increase over the $38.5 million reported in Q4-01.

Operating and Free Cash Flows -- Operating cash flows totaled a record $182.9 million, a 119% increase from the $83.7 million reported in Q4-01. Free cash flows for Q4-02 totaled $138.6 million, a 98% increase from the $69.9 million reported in Q4-01.

Gross Merchandise Sales -- eBay users transacted a record $4.60 billion in gross merchandise sales (GMS), which is the total value of items sold, during the fourth quarter, representing a 68% year-over-year increase from the $2.74 billion reported in Q4-01.

Listings -- eBay hosted a record 195 million listings during the quarter, representing a 55% year-over-year increase from the 126 million reported in Q4-01.

Registered Users - Cumulative confirmed registered users at the end of Q4-02 totaled a record 61.7 million, a sequential increase of 6.8 million users and a 46% increase over the 42.4 million users reported at the end of Q4-01.

Active Users -- The number of users on the eBay platform who bid, bought or listed over the trailing twelve months increased to 27.7 million in Q4-02, a 56% increase over the 17.8 million active users for the same period a year ago.

Key Execution Highlights

eBay U.S. Online Net Revenues -- eBay U.S. net online transaction revenues totaled $211.4 million in Q4-02, reflecting 58% year-over-year growth and the fourth consecutive quarter of year-over-year acceleration. Including net revenues from third party advertising and end-to-end services, total eBay U.S. online net revenues totaled $224.0 million, representing 35% year-over-year growth.

eBay International Online Net Revenues -- Net revenues from international transactions totaled $107.4 million in Q4-02, representing 173% year-over-year growth. Including net revenues from third party advertising, total international net revenues were $109.1 million, representing 172% year-over-year growth.

Payments Net Revenues -- For the period from October 4, 2002 through December 31, 2002, PayPal recorded net revenues of $74.7 million, driven by total payment volume of $2.14 billion. Compared to the full quarter Q4-01, PayPal's net revenues grew 86% year-over-year and its total payment volume grew 77% year-over-year. In Q4-02, 66% of total payment volume came from eBay and other online trading sites, up from 58% in Q3-02. In addition, eBay's Billpoint payment service generated $5.1 million in net revenues in Q4-02. On a combined basis, total Q4-02 Payments net revenues were $79.8 million. eBay continues to expect that its Billpoint operations will be completely phased-out during the first half of 2003.

Key Category Performance -- Based on Q4-02 annualized GMS, eBay has five categories that generate more than $1 billion in worldwide GMS: eBay Motors at $4.3 billion, Computers at $1.9 billion, Consumer Electronics at $1.8 billion, Books/Movies/Music at $1.4 billion, and Sports at $1.2 billion.

Fixed Price Trading -- eBay's fixed price offerings continue to drive seller success and increase the volume of trade on eBay. In aggregate, these offerings contributed approximately $1.1 billion or 24% of total GMS during Q4-02, primarily from eBay's "Buy it Now" feature.

eBay Stores -- More than 43,000 sellers on eBay.com and more than 42,000 sellers internationally are currently taking advantage of the enhanced merchandising capabilities of eBay Stores.

Consolidated Financial and Operating Summary

eBay reported record net revenues of $413.9 million in Q4-02, representing an 89% year-over-year increase. The strong Q4-02 performance was attributed to a combination of a strong online holiday shopping season, effective integrated marketing programs and a substantial increase in user activity. Revenues from third party advertisers declined 64% year-over-year to $10.3 million and now represent approximately 2% of net revenues.

Gross profit as a percentage of net revenues was 80%, down from the 84% level reported in Q3-02, and the 82% level reported in Q4-01. The reported gross profit percentage reflects an improvement in the core eBay margin to 86%, offset by lower margin PayPal transaction revenues.

Sales and marketing expenses totaled $108.7 million, or 26% of net revenues, down from 30% reported in Q3-02 and 33% reported in Q4-01. The sequential dollar increase in sales and marketing expense was attributed to the company's integrated holiday marketing campaigns combined with the incremental expenses from the PayPal business. The decrease as a percent of net revenues reflects modest leverage in the core eBay business and much lower marketing spending as a percentage of revenues at PayPal.

Product development costs totaled $31.8 million, or approximately 8% of net revenues, consistent with the 8% of net revenues reported in Q3-02 and down from the 10% of net revenues reported in Q4-01. Product development expense reflects an actual spending increase combined with the incremental expenses from the PayPal business, partially offset by $2.8 million of required capitalization for major site and product development efforts.

General and administrative costs totaled $63.3 million, or about 15% of net revenues, up slightly from the 14% of net revenues reported for both Q3-02 and Q4-01. The sequential percentage increase primarily reflects the addition of PayPal, including PayPal's transaction losses which represented approximately 10% of PayPal net revenues.

Income from operations totaled $113.9 million during Q4-02, a 174% increase over the $41.6 million reported in Q4-01. On a pro forma basis, income from operations totaled $132.4 million, or 32% of Q4-02 consolidated net revenues, comparing favorably to the $55.4 million and 25% of net revenues reported in Q4-01. The Q4-02 pro forma operating margin for the core eBay business, which excludes PayPal, was 35%, an approximate 10 percentage point year-over-year improvement. The Q4-02 pro forma operating margin for the PayPal business approximated 20%.

Net interest and other income totaled $24.0 million in Q4-02, up from the $6.1 million reported in Q3-02. The sequential increase primarily reflects the gains on the sale of Kruse International, certain real estate properties, and an equity investment in a privately-held company. Excluding these one-time gains, eBay reported pro forma net interest and other income of $6.6 million in Q4-02.

eBay reported a consolidated pro forma tax provision of $49.3 million. As expected, the Q4-02 effective pro forma tax rate was 36%, consistent with the 36% effective tax rate in Q3-02 and down from the 40% rate in Q4-01. The lower year-over-year effective tax rate reflects the increasing profit contribution from the company's international operations.

eBay's balance sheet remains strong. At the end of Q4-02, the company had more than $1.8 billion in aggregate corporate cash and investments and total assets of more than $4.1 billion.

The company reported $182.9 million in operating cash flows, 119% higher than the $83.7 million reported in Q4-01, reflecting primarily increased profitability.

Free cash flows during Q4-02 totaled $138.6 million, 98% higher than the $69.9 million reported in Q4-01. Capital expenditures in Q4-02 totaled $44.3 million, relating primarily to the purchase of site-related hardware and software, the expansion of the company's data warehouse, the build-out of PayPal's new customer service center, and the required capitalization of certain product development costs.

Business Outlook

Net Revenues -- The company now expects that revenues for 2003 could be as high as $1.9 billion, $70 million higher than the upper end of the company's most recent guidance. This higher revenue outlook derives from the strength of eBay's U.S., International and Payments businesses. From a quarterly perspective, eBay believes that Q1-03 revenues could be about $440 million, Q2-03 $460 million, Q3-03 $480 million and Q4-03 $520 million.

GAAP Diluted EPS -- eBay now expects that earnings per diluted share for the full year 2003 could be as high as $1.12, $0.07 higher than the upper end of the company's previously guided range. From a quarterly perspective, eBay expects GAAP earnings per diluted share to be $0.26 in Q1-03, $0.27 in Q2-03, $0.27 in Q3-03 and $0.32 in Q4-03.

Pro Forma Diluted EPS -- eBay now believes that amortization of intangible assets, stock-based compensation expenses and other pro forma items, primarily related to the PayPal acquisition, will be $19.0 million in Q1-03, $17.0 million in Q2-03, $18.0 million in Q3-03 and $16.0 million in Q4-03. Excluding these charges and the related pro forma tax effect, the company's pro forma earnings per diluted share for the full year 2003 could be as high as $1.27, $0.12 higher than the upper end of the range eBay has most recently indicated. From a quarterly perspective, eBay expects pro forma earnings per diluted share to be $0.30 in Q1-03, $0.30 in Q2-03, $0.31 in Q3-03 and $0.36 in Q4-03. This pro forma earnings pattern reflects both eBay's natural seasonality as well as the pattern of investments that the company intends to make in 2003.

Effective Tax Rate -- In 2003, eBay anticipates a decline in its effective tax rate to 34% due to the increased profit contribution from its international business.

About eBay

eBay is the world's online marketplace™. Founded in 1995, eBay created a powerful platform for the sale of goods and services by a passionate community of individuals and businesses. On any given day, there are millions of items across thousands of categories for sale on eBay. eBay enables trade on a local, national and international basis with customized sites in markets around the world.

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 an increasingly broad range of businesses; to deal with the increasingly competitive environment for online trading, both in specific vertical categories and generally; to manage the integration of PayPal and the litigation, regulatory, credit card association and other risks specific to PayPal; to manage other regulatory, tax and litigation risks even as its product offerings and geographies expand; to maintain site stability on all of its sites; to continue to expand its model to new types of merchandise and sellers; to continue to expand outside of the U.S.; the timing and commercial success of new features and functions added to the company's sites; the success of the company's commercial partners and commercial relationships; and the costs and benefits of announced and prospective joint ventures, acquisitions and other commercial transactions. More information about potential factors which could affect the company's business and financial results is included in the company's Annual Report on Form 10-K for the year ended December 31, 2001, its quarterly reports on Form 10-Q, and its other S.E.C. filings and prospectuses. 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.		
Unaudited Condensed Consolidated Balance Sheet		
(U.S. Dollars in Thousands)		
	December 31, 2001	**December 31, 2002**
ASSETS		
Current assets:		
Cash and cash equivalents	$ 523,969	$ 1,109,313
Short-term investments	199,450	89,690
Accounts receivable, net	101,703	131,453
Funds receivable	-	41,014
Other current assets	58,683	96,988
Total current assets	883,805	1,468,458
Long-term investments	286,998	470,227
Restricted cash and investments	129,614	134,644
Property and equipment, net	142,349	218,028
Goodwill	187,829	1,517,560
Intangible assets, net	10,810	217,929
Deferred tax assets	21,540	84,218
Other assets	15,584	13,380
	$ 1,678,529	$ 4,124,444
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Accounts payable	$ 33,235	$ 47,424
Funds payable and amounts due to customers	-	50,396
Accrued expenses and other current liabilities	94,593	199,323
Deferred revenue and customer advances	15,583	18,846
Short-term debt	16,111	2,970
Income taxes payable	20,617	67,265
Total current liabilities	180,139	386,224
Long-term debt	12,008	13,798
Deferred tax liabilities	3,629	111,843
Other liabilities	15,864	22,874
Minority interests	37,751	33,232
Total liabilities	249,391	567,971
Total stockholders' equity	1,429,138	3,556,473
	$ 1,678,529	$ 4,124,444

eBay Inc.

Unaudited Condensed Consolidated Statement of Income

(U.S. Dollars in Thousands, Except Per Share Amounts)

	Three Months Ended December 31,		Twelve Months Ended December 31,	
	2001	**2002**	**2001**	**2002**
Net revenues	$ 219,401	$ 413,928	$ 748,821	$ 1,214,100
Cost of net revenues	39,989	82,664	134,816	213,876
Gross profit	179,412	331,264	614,005	1,000,224
Operating expenses:				
Sales and marketing	71,554	108,734	253,474	349,650
Product development	21,723	31,820	75,288	104,636
General and administrative	31,246	63,344	105,784	171,785
Payroll taxes on stock options gains	881	1,379	2,442	4,015
Amortization of acquired intangible assets	12,390	12,064	36,591	15,941
Total operating expenses	137,794	217,341	473,579	646,027
Income from operations	41,618	113,923	140,426	354,197
Interest and other income (expense), net	7,186	24,092	41,613	49,209
Interest expense	(722)	(59)	(2,851)	(1,492)
Impairment of certain equity investments	-	-	(16,245)	(3,781)
Income before income taxes and minority interests	48,082	137,956	162,943	398,133
Provision for income taxes	(24,038)	(48,935)	(80,009)	(145,946)
Minority interests	1,891	(2,025)	7,514	(2,296)
Net income	$ 25,935	$ 86,996	$ 90,448	$ 249,891
Net income per share:				
Basic	$ 0.09	$ 0.28	$ 0.34	$ 0.87
Diluted	$ 0.09	$ 0.28	$ 0.32	$ 0.85
Weighted average shares:				
Basic	274,599	308,644	268,971	287,496
Diluted	283,564	314,395	280,595	292,820

eBay Inc.

Unaudited Pro Forma Condensed Consolidated Statement of Income

(U.S. Dollars in Thousands, Except Per Share Amounts)

	Three Months Ended December 31, 2001				**Three Months Ended December 31, 2002**			
	Reported	**Pro Forma Entries**		**Pro Forma**	**Reported**	**Pro Forma Entries**		**Pro Forma**
Net revenues	$ 219,401			$ 219,401	$ 413,928	$ -		$ 413,928
Cost of net revenues	39,989	(19)	(a)	39,970	82,664	(106)	(a)	82,558
Gross profit	179,412	19		179,431	331,264	106		331,370
Operating expenses:								
Sales and marketing	71,554	(47)	(a)	71,507	108,734	(678)	(a)	108,056
Product development	21,723	(96)	(a)	21,627	31,820	(1,407)	(a)	30,413
General and administrative	31,246	(364)	(a)	30,882	63,344	(2,832)	(a)	60,512
Payroll taxes on stock option gains	881	(881)	(b)	-	1,379	(1,379)	(b)	-
Amortization of acquired intangible assets	12,390	(12,390)	(c)	-	12,064	(12,064)	(c)	-
Total operating expenses	137,794	(13,778)		124,016	217,341	(18,360)		198,981
Income from operations	41,618	13,797		55,415	113,923	18,466		132,389
Interest and other income (expense), net	7,186	-		7,186	24,092	(17,459)	(d)	6,633
Interest expense	(722)	-		(722)	(59)	-		(59)
Impairment of certain equity investments	-	-		-	-	-	(e)	-
Income before income taxes and minority interests	48,082	13,797		61,879	137,956	1,007		138,963
Provision for income taxes	(24,038)	(1,259)	(f)	(25,297)	(48,935)	(363)	(f)	(49,298)
Minority interests	1,891	-		1,891	(2,025)	-		(2,025)
Net income	$ 25,935	$ 12,538		$ 38,473	$ 86,996	$ 644		$ 87,640
Net income per share:								
Basic	$ 0.09			$ 0.14	$ 0.28			$ 0.28
Diluted	$ 0.09			$ 0.14	$ 0.28			$ 0.28
Weighted average shares:								
Basic	274,599			274,599	308,644			308,644
Diluted	283,564			283,564	314,395			314,395

Notes:

(a) Non-cash stock based compensation expense

(b) Employer payroll taxes on employee exercises of non-qualified stock options

(c) Amortization of acquired intangible assets

(d) Gain on sale of Kruse, certain real estate properties and an equity investment in a privately-held company

(e) Impairment of certain equity investments

(f) Income tax effect of pro forma entries

eBay Inc.

Unaudited Pro Forma Condensed Consolidated Statement of Income

(U.S. Dollars in Thousands, Except Per Share Amounts)

	Twelve Months Ended December 31, 2001 Reported	Pro Forma Entries		Pro Forma	Twelve Months Ended December 31, 2002 Reported	Pro Forma Entries		Pro Forma
Net revenues	$ 748,821	$ -		$ 748,821	$ 1,214,100	$ -		$ 1,214,100
Cost of net revenues	134,816	(53)	(a)	134,763	213,876	161	(a)	214,037
Gross profit	614,005	53		614,058	1,000,224	(161)		1,000,063
Operating expenses:								
Sales and marketing	253,474	(208)	(a)	253,266	349,650	(623)	(a)	349,027
Product development	75,288	(452)	(a)	74,836	104,636	(1,510)	(a)	103,126
General and administrative	105,784	(1,292)	(a)	104,492	171,785	(3,514)	(a)	168,271
Payroll taxes on stock option gains	2,442	(2,442)	(b)	-	4,015	(4,015)	(b)	-
Amortization of acquired intangible assets	36,591	(36,591)	(c)	-	15,941	(15,941)	(c)	-
Total operating expenses	473,579	(40,985)		432,594	646,027	(25,603)		620,424
Income from operations	140,426	41,038		181,464	354,197	25,442		379,639
Interest and other income (expense), net	41,613	-		41,613	49,209	(21,244)	(d)	27,965
Interest expense	(2,851)	-		(2,851)	(1,492)	-		(1,492)
Impairment of certain equity investments	(16,245)	16,245	(e)	-	(3,781)	3,781	(e)	-
Income before income taxes and minority interests	162,943	57,283		220,226	398,133	7,979		406,112
Provision for income taxes	(80,009)	(10,278)	(f)	(90,287)	(145,946)	(2,415)	(f)	(148,361)
Minority interests	7,514	-		7,514	(2,296)	(590)		(2,886)
Net income	$ 90,448	$ 47,005		$ 137,453	$ 249,891	$ 4,974		$ 254,865
Net income per share:								
Basic	$ 0.34			$ 0.51	$ 0.87			$ 0.89
Diluted	$ 0.32			$ 0.49	$ 0.85			$ 0.87
Weighted average shares:								
Basic	268,971			268,971	287,496			287,496
Diluted	280,595			280,595	292,820			292,820

Notes:

(a) Non-cash stock based compensation expense

(b) Employer payroll taxes on employee exercises of non-qualified stock options

(c) Amortization of acquired intangible assets

(d) Gain on sale of Butterfields, Kruse, certain real estate properties and an equity investment in a privately-held company

(e) Impairment of certain equity investments

(f) Income tax effect of pro forma entries

eBay Inc.

Unaudited Condensed Consolidated Statement of Cash Flows

(U.S. Dollars in Thousands)

	Three Months Ended December 31,		Twelve Months Ended December 31,	
	2001	**2002**	**2001**	**2002**
Cash flows from operating activities:				
Net income	$ 25,935	$ 86,996	$ 90,448	$ 249,891
Adjustments:				
Provision for doubtful accounts and authorized credits	6,413	6,538	25,243	25,455
Provision for transaction losses	-	7,832	-	7,832
Depreciation and amortization	26,725	28,016	86,641	76,576
Stock-based compensation	907	5,027	3,091	5,754
Tax benefit on the exercise of employee stock options	27,883	(5,349)	81,705	91,237
Impairment of certain equity investments	-	-	16,245	3,781
Minority interests and other	(2,440)	2,310	(10,170)	1,523
Gain on sale of assets	-	(17,593)	-	(21,378)
Changes in assets and liabilities:				
Accounts receivable	(10,541)	(562)	(50,221)	(54,583)
Funds receivable	-	(11,819)	-	(11,819)
Other current assets	9,718	17,652	11,607	10,716
Other non-current assets	427	2,867	(4,787)	(1,195)
Deferred tax assets	(13,449)	4,716	(11,408)	8,134
Accounts payable	2,602	12,671	(4,087)	14,631
Due to customers	-	(6,311)	-	(6,311)
Funds payable	-	284	-	284
Accrued expenses and other liabilities	(220)	3,328	6,790	35,481
Deferred revenue and customer advances	80	2,127	1,516	2,780
Income taxes payable	9,643	44,132	9,499	41,114
Net cash provided by operating activities	83,683	182,862	252,112	479,903
Cash flows from investing activities:				
Purchases of property and equipment	(13,743)	(44,250)	(57,420)	(138,670)
Purchases of investments	(252,193)	(145,225)	(602,485)	(723,307)
Maturities and sales of investments	216,558	190,988	738,989	727,455
Proceeds from sale of assets	-	26,248	4,560	35,777
Acquisitions, net of cash acquired	-	(4,801)	(111,730)	(59,411)
Other, net	332	397	(1,733)	397
Net cash provided by (used in) investing activities	(49,046)	23,357	(29,819)	(157,759)
Cash flows from financing activities:				
Proceeds from issuance of common stock, net	66,522	148,005	123,391	252,131
Principal payments on long-term debt	(47)	(39)	(21,886)	(3,832)
Proceeds from long-term debt	-	3,768	-	3,768
Net cash provided by financing activities	66,475	151,734	101,505	252,067
Effect of exchange rate changes on cash and cash equivalents	(872)	2,737	(1,702)	11,133
Net increase in cash and cash equivalents	100,240	360,690	322,096	585,344
Cash and cash equivalents at beginning of period	423,729	748,623	201,873	523,969
Cash and cash equivalents at end of period	$ 523,969	$ 1,109,313	$ 523,969	$ 1,109,313

eBay Inc.

Unaudited Summary of Consolidated Net Revenues

(U.S. Dollars in Thousands, Except Percentages)

Net Revenues by Type	Three Months Ended December 31, 2001	Three Months Ended March 31, 2002	Three Months Ended June 30, 2002	Three Months Ended September 30, 2002	Three Months Ended December 31, 2002
Transaction					
U.S.	$134,044	$157,153	$167,489	$182,209	$211,388
Current quarter vs prior quarter	*13%*	*17%*	*7%*	*9%*	*16%*
Current quarter vs prior year quarter	*40%*	*44%*	*48%*	*53%*	*58%*
International	39,275	51,724	63,099	75,296	107,366
Current quarter vs prior quarter	*37%*	*32%*	*22%*	*19%*	*43%*
Current quarter vs prior year quarter	*302%*	*191%*	*152%*	*163%*	*173%*
Payments	5,627	4,787	4,719	6,094	77,703
Current quarter vs prior quarter	*16%*	*(15%)*	*(1%)*	*29%*	*1,175%*
Current quarter vs prior year quarter	*383%*	*88%*	*22%*	*26%*	*1,281%*
Total transaction	178,946	213,664	235,307	263,599	396,457
Current quarter vs prior quarter	*18%*	*19%*	*10%*	*12%*	*50%*
Current quarter vs prior year quarter	*68%*	*65%*	*66%*	*73%*	*122%*
3rd party advertising					
U.S.	27,363	18,206	15,490	14,148	7,062
Current quarter vs prior quarter	*17%*	*(33%)*	*(15%)*	*(9%)*	*(50%)*
Current quarter vs prior year quarter	*283%*	*56%*	*(14%)*	*(40%)*	*(74%)*
International	816	827	1,210	898	1,716
Current quarter vs prior quarter	*(48%)*	*1%*	*46%*	*(26%)*	*91%*
Current quarter vs prior year quarter	*NA*	*703%*	*37%*	*(42%)*	*110%*
Payments	-	-	-	-	1,478
Current quarter vs prior quarter	*NA*	*NA*	*NA*	*NA*	*NA*
Current quarter vs prior year quarter	*NA*	*NA*	*NA*	*NA*	*NA*
Total 3rd party advertising	28,179	19,033	16,700	15,046	10,256
Current quarter vs prior quarter	*13%*	*(32%)*	*(12%)*	*(10%)*	*(32%)*
Current quarter vs prior year quarter	*294%*	*62%*	*(11%)*	*(40%)*	*(64%)*
End-to-end services					
U.S.	4,388	4,869	5,091	6,096	5,591
Current quarter vs prior quarter	*(44%)*	*11%*	*5%*	*20%*	*(8%)*
Current quarter vs prior year quarter	*(54%)*	*(17%)*	*(44%)*	*(22%)*	*27%*
Payments	83	-	-	-	587
Current quarter vs prior quarter	*(75%)*	*(100%)*	*NA*	*NA*	*NA*
Current quarter vs prior year quarter	*NA*	*NA*	*(100%)*	*(100%)*	*607%*
Total end-to-end services	4,471	4,869	5,091	6,096	6,178
Current quarter vs prior quarter	*(45%)*	*9%*	*5%*	*20%*	*1%*
Current quarter vs prior year quarter	*(53%)*	*(17%)*	*(46%)*	*(25%)*	*38%*
Offline net revenues	7,805	7,540	9,189	4,038	1,037
Current quarter vs prior quarter	*(13%)*	*(3%)*	*22%*	*(56%)*	*(74%)*
Current quarter vs prior year quarter	*(28%)*	*12%*	*(16%)*	*(55%)*	*(87%)*
Total net revenues	$219,401	$245,106	$266,287	$288,779	$413,928
Current quarter vs prior quarter	*13%*	*12%*	*9%*	*8%*	*43%*
Current quarter vs prior year quarter	*64%*	*59%*	*47%*	*49%*	*89%*

eBay Inc.

Unaudited Summary of Consolidated Net Revenues

(U.S. Dollars in Thousands, Except Percentages)

Net Revenues by Segment	**Three Months Ended**				
	December 31, 2001	**March 31, 2002**	**June 30, 2002**	**September 30, 2002**	**December 31, 2002**
U.S.	$173,600	$187,768	$197,259	$206,491	$225,078
Current quarter vs prior quarter	*9%*	*8%*	*5%*	*5%*	*9%*
Current quarter vs prior year quarter	*41%*	*41%*	*31%*	*30%*	*30%*
International	40,091	52,551	64,309	76,194	109,082
Current quarter vs prior quarter	*33%*	*31%*	*22%*	*18%*	*43%*
Current quarter vs prior year quarter	*310%*	*194%*	*148%*	*152%*	*172%*
Payments	5,710	4,787	4,719	6,094	79,768
Current quarter vs prior quarter	*10%*	*(16%)*	*(1%)*	*29%*	*1,209%*
Current quarter vs prior year quarter	*391%*	*88%*	*12%*	*18%*	*1,297%*
Total net revenues	$219,401	$245,106	$266,287	$288,779	$413,928
Current quarter vs prior quarter	*13%*	*12%*	*9%*	*8%*	*43%*
Current quarter vs prior year quarter	*64%*	*59%*	*47%*	*49%*	*89%*

Net Revenues by Geography	**Three Months Ended**				
	December 31, 2001	**March 31, 2002**	**June 30, 2002**	**September 30, 2002**	**December 31, 2002**
U.S. net revenues	$179,310	$192,555	$201,978	$212,585	$290,583
Current quarter vs prior quarter	*9%*	*7%*	*5%*	*5%*	*37%*
Current quarter vs prior year quarter	*44%*	*41%*	*30%*	*29%*	*62%*
% of total	*82%*	*79%*	*76%*	*74%*	*70%*
International net revenues	40,091	52,551	64,309	76,194	123,345
Current quarter vs prior quarter	*33%*	*31%*	*22%*	*18%*	*62%*
Current quarter vs prior year quarter	*310%*	*194%*	*148%*	*152%*	*208%*
% of total	*18%*	*21%*	*24%*	*26%*	*30%*
Total net revenues	$219,401	$245,106	$266,287	$288,779	$413,928
Current quarter vs prior quarter	*13%*	*12%*	*9%*	*8%*	*43%*
Current quarter vs prior year quarter	*64%*	*59%*	*47%*	*49%*	*89%*

eBay Inc.					
eBay Unaudited Supplemental Operating Data					
(In Millions, Except Percentages)					
	Three Months Ended				
	December 31, 2001	**March 31, 2002**	**June 30, 2002**	**September 30, 2002**	**December 31, 2002**
Confirmed Registered Users	42.4	46.1	49.7	54.9	61.7
Current quarter vs prior quarter	*13%*	*9%*	*8%*	*10%*	*12%*
Current quarter vs prior year quarter	*88%*	*55%*	*46%*	*46%*	*46%*
Active Users (1)	17.8	19.8	21.8	24.2	27.7
Current quarter vs prior quarter	*16%*	*11%*	*10%*	*11%*	*14%*
Current quarter vs prior year quarter	*N/A*	*50%*	*49%*	*52%*	*56%*
Number of Listings	126.5	138.0	145.2	159.6	195.5
Current quarter vs prior quarter	*16%*	*9%*	*5%*	*10%*	*22%*
Current quarter vs prior year quarter	*59%*	*55%*	*47%*	*47%*	*55%*
Gross Merchandise Sales	$2,735	$3,107	$3,395	$3,766	$4,600
Current quarter vs prior quarter	*16%*	*14%*	*9%*	*11%*	*22%*
Current quarter vs prior year quarter	*69%*	*57%*	*51%*	*60%*	*68%*

(1) Defined as all users, excluding Half.com and Internet Auction, who bid, bought, or listed an item within the previous twelve month period.

eBay Inc.
PayPal Unaudited Supplemental Operating Data
(In Millions, Except Percentages)

eBay completed its acquisition of PayPal on October 3, 2002. PayPal's financial statements and supplemental operating data have been included in eBay's consolidated financial statements from October 4, 2002 to December 31, 2002. The following table presents PayPal financial information for each of the full quarters ended December 31, 2001 through September 30, 2002, and for the period from October 4, 2002 through December 31, 2002.

	Three Months Ended				
	December 31, 2001	**March 31, 2002**	**June 30, 2002**	**September 30, 2002**	**December 31, 2002**
Revenue					
Transaction	$38.9	$48.0	$52.5	$58.1	$72.6
Current quarter vs prior quarter	*36%*	*23%*	*9%*	*11%*	*25%*
Current quarter vs prior year quarter	*496%*	*279%*	*190%*	*104%*	*87%*
Non- transaction	$1.2	$0.8	$1.3	$1.2	$2.1
Current quarter vs prior quarter	*(20%)*	*(33%)*	*63%*	*(8%)*	*75%*
Current quarter vs prior year quarter	*9%*	*(43%)*	*(18%)*	*(18%)*	*75%*
Total revenues	$40.1	$48.8	$53.8	$59.3	$74.7
Percent of revenue which is international	14.0%	21.4%	20.5%	20.2%	19.1%
Metrics					
Total accounts (1)	12.8	15.4	17.8	19.7	23.3
Current quarter vs prior quarter	*21%*	*20%*	*16%*	*11%*	*18%*
Current quarter vs prior year quarter	*135%*	*114%*	*103%*	*86%*	*82%*
Active accounts (2)	4.4	5.2	5.5	6.3	7.9
Total number of payments	22.3	26.6	28.8	31.3	39.2

Current quarter vs prior quarter....................	*24%*	*19%*	*8%*	*9%*	*25%*
Current quarter vs prior year quarter.............	*81%*	*96%*	*91%*	*74%*	*76%*
Total payment volume	$1,206	$1,460	$1,615	$1,787	$2,138
Current quarter vs prior quarter....................	*30%*	*21%*	*11%*	*11%*	*20%*
Current quarter vs prior year quarter.............	*122%*	*127%*	*110%*	*95%*	*77%*
Auction as % of total payment volume....................	64%	61%	59%	58%	66%
Transaction rates					
Transaction revenue rate.......................................	3.22%	3.29%	3.25%	3.25%	3.40%
Transaction processing expense rate	1.30%	1.16%	1.14%	1.19%	1.29%
Transaction loss rate	0.42%	0.47%	0.38%	0.42%	0.37%
(1) Subsequent to Q3-02, excludes closed and locked accounts					
(2) Users that sent or received at least one payment during the quarter					