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eBay Inc. Plans Q4 Restructuring Charge Related to PayPal Product Simplification

SAN JOSE, Calif.--(BUSINESS WIRE)-- eBay Inc. (NASDAQ: EBAY) today announced a planned fourth quarter pretax restructuring charge of approximately $15 million related to staff reductions at the company's PayPal business unit. PayPal today informed approximately 325 employees, primarily in its product and technology organizations, of job eliminations. PayPal also is ending contracts with approximately 120 contractors globally. The reduction results from a redesign of PayPal's product organization, consolidating nine product groups into a single, more agile organization. The intent is to simplify and speed up how products are developed. PayPal expects to continue its strong global growth momentum and leadership through online merchant expansion and share of checkout, by driving payments innovation at point-of-sale retail for large, medium and small businesses, and by engaging consumers online and offline with payments products and experiences that offer choice, flexibility, simplicity and security. PayPal currently has more than 117 million active accounts.

The company said that the restructuring charge is only expected to impact reported GAAP earnings. It is not expected to affect non-GAAP results.

Forward-Looking Statements

This press release contains forward-looking statements relating to, among other things, the future performance of eBay and its consolidated subsidiaries that are based on the company's current expectations, forecasts and assumptions and involve risks and uncertainties. Factors that could cause or contribute to such differences include, but are not limited to: the timing, impact and execution of the Company's workforce reduction plan and the extent of the employees and contractors impacted; the company's need to successfully react to the increasing importance of mobile payments and mobile commerce and the increasing social aspect of commerce; the company's need and ability to manage other regulatory, tax and litigation risks as its services are offered in more jurisdictions and applicable laws become more restrictive; any changes the company may make to its product offerings; the competitive, regulatory, credit card association-related and other risks specific to PayPal and Bill Me Later, especially as PayPal continues to expand geographically and introduce new products and as new laws and regulations related to financial services companies come into effect; the company's ability to timely upgrade and develop its systems, infrastructure and customer service capabilities, at reasonable cost; and the company's ability to maintain site stability and performance on all of its sites while adding new products and features in a timely fashion.

More information about factors that could affect the company's operating results is included under the captions "Risk Factors" and "Management's Discussion and Analysis of Financial Condition and Results of Operations" in the company's most recent annual report on Form 10-K and subsequent quarterly reports on Form 10-Q, copies of which may be obtained by visiting the company's Investor Relations website at http://investor.ebayinc.com or the SEC's website at www.sec.gov. Undue reliance should not be placed on the forward-looking statements in this release, which are based on information available to the company on the date hereof. eBay assumes no obligation to update such statements.

About eBay Inc.

Founded in 1995 in San Jose, Calif., eBay Inc. (NASDAQ:EBAY) is a global commerce platform and payments leader connecting millions of buyers and sellers. We do so through eBay, the world's largest online marketplace, which allows users to buy and sell in nearly every country on earth; through PayPal, which enables individuals and businesses to securely, easily and quickly send and receive digital payments; and through GSI, which facilitates ecommerce, multichannel retailing and digital marketing for global enterprises. X.commerce harnesses the developer community of Magento, an ecommerce platform, by providing technology solutions and eBay Inc. capabilities to merchants of all sizes, supporting eBay Inc.'s mission of enabling commerce. We also reach millions through specialized marketplaces such as StubHub, the world's largest ticket marketplace, and eBay classifieds sites, which together have a presence in more than 1,000 cities around the world. For more information about the company and its global portfolio of online brands, visit www.ebayinc.com.

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