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## eBay Inc. to Acquire Global Payments Innovator Braintree

### *Braintree to Join Company's PayPal Business Unit, Accelerating Innovation in Mobile Payments*

SAN JOSE, Calif. & CHICAGO, Ill.--(BUSINESS WIRE)-- eBay Inc. (NASDAQ:EBAY) announced today that it has agreed to acquire Braintree, the innovative global payment platform powering the next generation of leading online and mobile-first startups, for total consideration of approximately \$800 million in cash.



Bill Ready, CEO of Braintree and David Marcus, President of PayPal at the NASDAQ MarketSite in New York City. eBay Inc. announced that its PayPal unit plans to acquire Braintree, an innovative global payment platform. (Photo: Business Wire)

"PayPal was built on helping entrepreneurs grow great businesses online. I'm thrilled to welcome the Braintree team," said PayPal President David Marcus. "With this deal I believe that we will accelerate our capabilities for developers, entrepreneurs, merchants and companies that are building the future."

Braintree CEO Bill Ready said: "The alignment with PayPal means Braintree can continue to push the boundaries of innovation while expanding into new markets with increased speed and confidence. Our current customers and developer community can expect the same level of support and partnership they've always enjoyed, coupled with more resources."

Venmo, Braintree's mobile application that gives people an easy way to pay each other using their mobile devices and leveraging social networks, is part of the acquisition and will help to contribute to PayPal's mobile payments capabilities. PayPal already has a strong presence in mobile, projecting mobile payment volume of more than \$20 billion this year.

The transaction is subject to customary closing conditions, including regulatory approvals, and is expected to close late in the fourth quarter of 2013. Assuming PayPal's acquisition of Braintree closes in late 2013, eBay anticipates an immaterial impact to PayPal's 2013 net total payment volume. eBay expects that definitional differences between PayPal's net total payment volume and Braintree's projected \$12 billion payment volume for 2013, approximately one-third of which is expected to be driven by mobile payments, will lead to a significant portion of Braintree's payment volume not being additive to PayPal's net total payment volume and treated instead like PayPal's payment gateway business, with only the revenue being recorded. The take rate associated with Braintree's payment volume varies significantly based on business mix. Assuming the acquisition closes in late 2013, eBay expects the deal to be immaterial to its 2013 revenue guidance which it announced July 17, 2013, and to have a negative impact of \$0.01 to its 2013 non-GAAP EPS guidance and a negative impact of \$0.01 - \$0.03 to its 2013 GAAP EPS guidance.

**About eBay Inc.**

"Braintree is a perfect fit with PayPal," said eBay Inc. President and CEO John Donahoe. "Bill Ready and his team add complementary talent and technology that we believe will help accelerate PayPal's global leadership in mobile payments. Together, we expect that PayPal and Braintree also will accelerate our leadership in supporting developers who are creating innovative solutions for next generation commerce startups."

Braintree's payment platform powers next generation innovators such as Airbnb, OpenTable, TaskRabbit and Uber, which are creating compelling new consumer experiences and disrupting legacy business models. Once the acquisition is completed, Braintree will continue to operate as a separate service within PayPal under the continued leadership of Braintree CEO Bill Ready, who will report to PayPal President David Marcus. Braintree's management team and employees are expected to stay in place.

eBay Inc. (NASDAQ: EBAY) is a global commerce and payments leader, providing a robust platform where merchants of all sizes can compete and win. Founded in 1995 in San Jose, Calif., eBay Inc. connects millions of buyers and sellers and enabled \$175 billion of commerce volume in 2012. 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 eBay Enterprise, which enables omnichannel commerce, multichannel retailing and digital marketing for global enterprises in the U.S. and internationally. 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](http://www.ebayinc.com).

### **About PayPal**

PayPal is the faster, safer way to pay and get paid online, via a mobile device and in store. The service gives people simpler ways to send money without sharing financial information, and with the flexibility to pay using their account balances, bank accounts, credit cards or promotional financing. With 132 million active accounts in 193 markets and 26 currencies around the world, PayPal enables global commerce, processing more than 7.7 million payments every day. Because PayPal helps people transact anytime, anywhere and in any way, the company is a driving force behind the growth of mobile commerce and expects to process \$20 billion in mobile payments in 2013. PayPal is an eBay (Nasdaq:EBAY) company and contributed 40 percent of eBay Inc.'s revenues in 2012. 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-media.com](http://www.paypal-media.com).

### **About Braintree**

A catalyst for the next generation of commerce, Braintree's global payment platform expects to process approximately \$12 billion in payment volume in 2013 for thousands of online and mobile commerce innovators including Airbnb, Fab, LivingSocial, OpenTable, TaskRabbit and Uber. Merchants in more than 40 countries across North America, Europe and Australia can accept payments in more than 130 currencies using Braintree. Today, Braintree powers single-click purchasing for more than 40 million consumers and its mobile app, Venmo, gives people an easy way to pay using their mobile devices. To learn more, visit Braintree at [www.braintreepayments.com](http://www.braintreepayments.com) and on Twitter @braintree.

### **Forward-Looking Statements**

This announcement contains forward-looking statements, including statements about the expected impact of the Braintree acquisition on PayPal's and eBay's financial and operating results and business, the operation and management of Braintree after acquisition, the anticipated timing of the closing of the acquisition, PayPal's projected mobile payments volume, and Braintree's projected payments volume and mobile payments volume. These forward-looking statements involve risks and uncertainties, and actual results could differ materially from those discussed. Factors that could cause or contribute to such differences include, but are not limited to, the receipt and timing of regulatory approvals for the transaction, the possibility that the transaction may not close, the reaction to the transaction of Braintree's customers and merchant and gateway partners, PayPal's plans for Braintree, the future growth of Braintree's and PayPal's businesses, the reaction of competitors to the transaction and the possibility that integration following the transaction may be more difficult than expected. More information about potential factors which could affect our business and results is included in eBay's Annual Report on Form 10-K for the year ended December 31, 2012, its Quarterly Reports on Form 10-Q, its Current Reports on Form 8-K, and other periodic filings. All forward-looking statements are based on information available to eBay on the date hereof, and eBay assumes no obligation to update such statements.

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