This presentation contains non-GAAP measures relating to the company’s performance. You can find the reconciliation of those measures to the nearest comparable GAAP measures in the appendix at the end of this presentation.

This presentation may make forward-looking statements relating to our future performance that are based on our current expectations, forecasts and assumptions and involve risks and uncertainties, including those relating to the company’s ability to grow its businesses, user base and user activity.

Our actual results may differ materially from those discussed in this call for a variety of reasons, including, but not limited to, our increasing need to grow revenues from existing users in established markets; an increasingly competitive environment for our businesses; the complexity of managing a growing company with a broad range of businesses, our need to manage regulatory, tax, IP and litigation risks (including risks specific to PayPal and the financial industry, and risks specific to Skype’s technology and to the VoIP industry); our need to upgrade our technology and customer service infrastructure at reasonable cost while adding new features and maintaining site stability; foreign-exchange-rate fluctuations; changes in political, business, and economic conditions; our ability to profitably expand our business model to new types of merchandise and sellers; and the impact and integration of recent and future acquisitions.

You can find more information about factors that could affect our operating results in our most recent annual report on our Form 10-K and our subsequent quarterly reports on Form 10-Q (available at http://investor.ebay.com). You should not unduly rely on any forward-looking statements, and we assume no obligation to update them. All information in the presentation is as of July 16, 2008, and we do not intend, and undertake no duty, to update this presentation.
PayPal’s vision

The world’s favorite way to pay and be paid
Payment trends are creating PayPal’s opportunity

Source: Nilsson Report (reflects total economy; electronic payments represent ACH and check conversion)
A powerful combination

network effect

trading velocity
PayPal’s growth across the world, across the web

from small merchants on eBay...

...to the world’s largest e-tailers
And in particular, Merchant Services …

- Continued Penetration of top merchants in U.S. and U.K.
- Expanding share of eCommerce in U.S. and globally

*Based on internal estimates
Translate into excellent financials

### Revenue ($millions)
- Q1 07: 260
- Q2 07: 265
- Q3 07: 270
- Q4 07: 316
- Q1 08: 329
- Q2 08: 334

<table>
<thead>
<tr>
<th>Quarter</th>
<th>US ($millions)</th>
<th>Int'l ($millions)</th>
<th>Total ($millions)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Q1 07</td>
<td>260</td>
<td>179</td>
<td>439</td>
</tr>
<tr>
<td>Q2 07</td>
<td>265</td>
<td>189</td>
<td>454</td>
</tr>
<tr>
<td>Q3 07</td>
<td>270</td>
<td>201</td>
<td>470</td>
</tr>
<tr>
<td>Q4 07</td>
<td>316</td>
<td>246</td>
<td>563</td>
</tr>
<tr>
<td>Q1 08</td>
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<td>253</td>
<td>582</td>
</tr>
<tr>
<td>Q2 08</td>
<td>334</td>
<td>268</td>
<td>602</td>
</tr>
</tbody>
</table>

**y/y growth**:
- Q1 07: 31%
- Q2 07: 34%
- Q3 07: 35%
- Q4 07: 35%
- Q1 08: 32%
- Q2 08: 33%

### TPV ($billions)
- Q1 07: 7.2
- Q2 07: 7.4
- Q3 07: 7.7
- Q4 07: 9.1
- Q1 08: 9.4
- Q2 08: 9.5

<table>
<thead>
<tr>
<th>Quarter</th>
<th>US ($billions)</th>
<th>Int'l ($billions)</th>
<th>Total ($billions)</th>
</tr>
</thead>
<tbody>
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<td>7.2</td>
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<td>Q2 07</td>
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<tr>
<td>Q3 07</td>
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<td>Q4 07</td>
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<td>Q1 08</td>
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<td>5.1</td>
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<tr>
<td>Q2 08</td>
<td>9.5</td>
<td>5.4</td>
<td>14.9</td>
</tr>
</tbody>
</table>

**y/y growth**:
- Q1 07: 30%
- Q2 07: 32%
- Q3 07: 34%
- Q4 07: 35%
- Q1 08: 34%
- Q2 08: 35%
Why consumers love PayPal

Safe

• 61% concerned about privacy
• 12M identities stolen
• 75% think online payments “not very safe”

Simple

“Shop without sharing”

...improved by PayPal!
Why merchants love PayPal

Painful experiences...

**Simple**
- Requires many vendors
- Difficult approval process

**Price**
- Different for every method
- Tiered, complex, surcharges

**Sales**
- Fraud → lost inventory
- Abandoned shopping carts

...improved by PayPal!

**Simple**
- One vendor
- Easy on-boarding & integration

**Price**
- Simple & transparent
- 1.9 - 4.9% + $0.30

**Sales**
- Less fraud
- Better conversion
- **2-14% sales lift**
PayPal’s competitive advantages

- Consumer acquisition
- Strong consumer and merchant value proposition
- Funding mix advantage
- Anti-fraud capabilities and data
- Large merchant and consumer base
- Global payments platform
As we grow, key tenets drive PayPal execution

be loved → Consumer preference, loyalty, engagement

be everywhere → Acceptance across online payments

be agile → Ability to innovate quickly & deliver quality product

be strong → Delivering great financial results