

**EBAY Statement of Income (\$000, except per share**

data)

	<u>1996</u>	<u>1Q1997</u>	<u>2Q1997</u>	<u>3Q1997</u>	<u>4Q1997</u>	<u>1997</u>	<u>1Q1998</u>	<u>2Q1998</u>	<u>3Q1998</u>	<u>4Q1998</u>	<u>1998</u>
<b>Net Revenue</b>	<b>372</b>	<b>604</b>	<b>1.054</b>	<b>1.459</b>	<b>2.627</b>	<b>5.744</b>	<b>5.981</b>	<b>8.941</b>	<b>12.935</b>	<b>19.495</b>	<b>47.352</b>
<b>Cost of Revenue</b>	14	33	127	253	333	746	630	1.106	2.103	3.020	6.859
<b>Gross Profit</b>	358	571	927	1.206	2.294	4.998	5.351	7.835	10.832	16.475	40.493
<b>Operating Expenses:</b>											
Sales and Marketing	32	83	129	369	1.149	1.730	2.106	2.504	5.476	9.755	19.841
General and Administrative	45	95	138	260	457	950	1.028	3.159	2.115	2.778	9.080
Amortization of Acquired Intangibles								150	327	328	805
Product Development	28	58	151	257	365	831	518	1.030	1.514	1.544	4.606
<b>Total Operating Expenses</b>	<b>105</b>	<b>236</b>	<b>418</b>	<b>886</b>	<b>1.971</b>	<b>3.511</b>	<b>3.652</b>	<b>6.843</b>	<b>9.432</b>	<b>14.405</b>	<b>34.332</b>
<b>Income (loss) from operations</b>	253	335	509	346	349	1.487	1.721	1.046	1.511	2.752	6.161
<b>Interest and Other Income, net</b>	1	2	2	26	26	56	22	54	111	682	869
<b>Income (loss) before income taxes</b>	254	337	511	346	349	1.543	1.721	1.046	1.511	2.752	7.030
<b>(Provision) benefit from income taxes</b>	-106	-144	-218	-147	-160	-669	-1.573	-979	-848	-1.232	-4.632
<b>Net Income (loss)</b>	<b>148</b>	<b>193</b>	<b>293</b>	<b>199</b>	<b>189</b>	<b>874</b>	<b>148</b>	<b>67</b>	<b>663</b>	<b>1.520</b>	<b>2.398</b>
<b>Fully Diluted EPS</b>	<b>0,00</b>					<b>0,03</b>			<b>0,02</b>	<b>0,02</b>	<b>0,02</b>
<b>Shares Outstanding (Diluted)</b>	6.375					27.553			37.168	76.000	114.590
<b><u>Margin Analysis (%age of revenue)</u></b>											
Gross Margin	96,24%	94,54%	87,95%	82,66%	87,32%	87,01%	89,47%	87,63%	83,74%	84,51%	85,51%
Sales & Marketing	8,60%	13,74%	12,24%	25,29%	43,74%	30,12%	35,21%	28,01%	42,33%	50,04%	41,90%
General & Administrative	12,10%	15,73%	13,09%	17,82%	17,40%	16,54%	17,19%	35,33%	16,35%	14,25%	19,18%
Engineering	7,53%	9,60%	14,33%	17,61%	13,89%	14,47%	8,66%	11,52%	11,70%	7,92%	9,73%
Operating Margin	68,01%	55,46%	48,29%	23,71%	13,29%	25,89%	28,77%	11,70%	11,68%	14,12%	13,01%
Net Margin	39,78%	31,95%	27,80%	13,64%	7,19%	15,22%	2,47%	0,75%	5,13%	7,80%	5,06%
<b><u>Growth</u></b>											
Total Revenue	10092,00%	N/A	74,50%	38,43%	80,05%	10092,00%	127,67%	49,49%	44,67%	50,72%	523,60%
Gross Profit	2315,93%	N/A	62,35%	30,10%	90,22%	2315,93%	133,26%	46,42%	38,25%	52,10%	312,38%
Operating Expense	327,31%	N/A	77,12%	111,96%	122,46%	327,31%	85,29%	87,38%	37,83%	52,72%	519,09%
Operating Income	N/A	N/A	51,94%	32,02%	-0,87%	N/A	393,12%	-39,22%	-44,46%	82,13%	314,32%
Net Income	N/A	N/A	51,81%	32,08%	5,03%	N/A	21,69%	-54,73%	-889,55%	129,26%	174,37%
Fully Diluted EPS	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	-12,12%	-33,33%

**EBAY Statement of Income (\$000, except per share**

data)

	<u>1996</u>	<u>1Q1999</u>	<u>2Q1999</u>	<u>3Q1999E</u>	<u>4Q1999E</u>	<u>1999E</u>	<u>2000E</u>
<b>Net Revenue</b>	<b>372</b>	<b>34.010</b>	<b>49.479</b>	<b>67.270</b>	<b>100.441</b>	<b>251.200</b>	<b>809.000</b>
<b>Cost of Revenue</b>	14	5.121	10.945	15.000	27.000	58.066	180.333
<b>Gross Profit</b>	358	28.889	38.534	52.270	73.441	193.134	628.667
<b>Operating Expenses:</b>							
Sales and Marketing	32	12.067	22.916	29.000	45.000	108.983	370.966
General and Administrative	45	5.043	10088	15.000	17.000	47.131	117.000
Amortization of Acquired Intangibles		328	327	328	328	1.311	1.500
Product Development	28	1.924	5.476	11.109	14.193	32.702	75.000
<b>Total Operating Expenses</b>	<b>105</b>	<b>19.362</b>	<b>43.166</b>	<b>55.437</b>	<b>76.521</b>	<b>194.486</b>	<b>564.466</b>
<b>Income (loss) from operations</b>	253	9.527	-4.632	-3.167	-3.080	-1.352	64.201
<b>Interest and Other Income, net</b>	1	639	6.039	7.000	8.500	22.178	35.000
<b>Income (loss) before income taxes</b>	254	10.166	1.407	3.833	5.420	20.826	99.201
<b>(Provision) benefit from income taxes</b>	-106	-4.270	-591	600	725	-3.536	-3.536
<b>Net Income (loss)</b>	<b>148</b>	<b>5.896</b>	<b>816</b>	<b>4.433</b>	<b>6.145</b>	<b>17.290</b>	<b>95.665</b>
<b>Fully Diluted EPS</b>	<b>0,00</b>	<b>0,05</b>	<b>0,01</b>	<b>0,03</b>	<b>0,04</b>	<b>0,13</b>	<b>0,42</b>
<b>Shares Outstanding (Diluted)</b>	6.375	127.979	136.614	145.767	155.970	141.583	230.000
<b><u>Margin Analysis (%age of revenue)</u></b>							
Gross Margin	96,24%	84,94%	77,88%	77,70%	73,12%	76,88%	77,71%
Sales & Marketing	8,60%	35,48%	46,31%	43,11%	44,80%	43,38%	45,85%
General & Administrative	12,10%	14,83%	20,39%	22,30%	16,93%	18,76%	14,46%
Engineering	7,53%	5,66%	11,07%	16,51%	14,13%	13,02%	9,27%
Operating Margin	68,01%	28,01%	-9,36%	-4,71%	-3,07%	-0,54%	7,94%
Net Margin	39,78%	17,34%	1,65%	6,59%	6,12%	6,88%	11,83%
<b><u>Growth</u></b>							
Total Revenue	10092,00%	74,45%	45,48%	35,96%	49,31%	430,50%	222,05%
Gross Profit	2315,93%	75,35%	33,39%	35,65%	40,50%	376,96%	210,57%
Operating Expense	327,31%	34,41%	122,94%	28,43%	38,03%	466,49%	225,51%
Operating Income	N/A	246,18%	-148,62%	-31,63%	-2,75%	-121,94%	#jDIV/0!
Net Income	N/A	287,89%	-86,16%	443,26%	38,62%	621,02%	240,39%
Fully Diluted EPS	N/A	-150,00%	88,05%	-409,15%	29,55%	528,92%	148,24%