

Rating:	BUY	Dividend:	N/A	52 Week Range:	\$29-\$53	Beta:	1.10
Intrinsic Value:	\$67.93	Div Yield:	N/A	P/E Ratio:	17.7x	Forward P/E:	15.9x
Current Price:	\$51.86	3 Year FV:	11.96%	EPS (TTM):	\$2.93	5 Year CAGR (EPS):	11%
Market Cap:	67.1B	5 Year FV:	7.01%	Credit Rating:	A2		



Investment Theme: Our buy recommendation on eBay is based on its strong position in e-commerce and payment processing. Both of these areas are growing rapidly and represent two of the strongest secular growth trends in the technology sector.

The PayPal unit at eBay is responsible for approximately 45% of eBay’s yearly revenues and is growing internationally and domestically. Meanwhile, eBay’s legacy (marketplace) business is starting to gain traction due to changes in pricing

strategies. Furthermore, eBay recently acquired GSI commerce, an acquisition that will give eBay a larger presence with large retail companies.

Overview: eBay has completely transformed into a payment processing and global commerce powerhouse over the last five years. Strategic acquisitions of PayPal (2002) and GSI commerce (2011) have led to a more diversified business model focused on three units: payment processing, online marketplace, and global commerce. Payment processing has been performing well and continues to deliver top notch results. In the most recent quarter (Q3 2012), revenues increased by 23% year over year. At the same time, international payment revenues (representing 55% of total payment revenues) grew by 29% year over year. The Online marketplace division is starting to gain traction again due to improved pricing strategies. eBay has chosen to move to a flat fee option in their marketplace and this flexibility (auction or flat fee) has been well received by online buyers and sellers. As a result, revenues in the marketplace division have increased by 11% year over year. This represents the highest increase in this division since 2006. The global commerce unit was sparked by the 2011 acquisition of GSI commerce. This move gives eBay the access to many big name retailers. This unit is already experiencing 12% year over year growth and is expected to grow even faster as the eBay management team learns to fully leverage this business. The chart to the bottom right illustrates the diversification of revenues over the last few years:

Revenues are expected to grow by 15% over the next five years and the PayPal division is expected to lead the way. At its current growth rate (23% total and 29% international), PayPal is expected to deliver over 50% of eBay’s total revenues and profits within a couple of years. Newly introduced products like Bill Me Later and mobile market place should also lead to revenue growth. Bill Me Later allows customers to use eBay as a lender when buying goods online. eBay does a quick approval process using individual’s social security numbers and birthdates. The benefit to a customer is quicker approvals and easier access to capital. eBay uses this lending to earn higher spreads on cash compared to what’s offered in the market. The company earns approximately 15-20% net APR, which is much higher

Revenue/Earnings Data					
Revenue (Million \$)					
	1Q	2Q	3Q	4Q	Year
2012	3,277	3,398	3,404	--	--
2011	2,546	2,760	2,966	3,380	11,652
2010	2,196	2,215	2,249	2,495	9,156
2009	2,021	2,098	2,238	2,371	8,727
2008	2,192	2,196	2,118	2,036	8,541
2007	1,768	1,418	1,889	2,181	7,672

Earnings Per Share (\$)					
	1Q	2Q	3Q	4Q	Year
2012	0.44	0.52	0.45	E0.61	E2.15
2011	0.36	0.22	0.37	1.51	2.46
2010	0.30	0.31	0.33	0.42	1.36
2009	0.28	0.25	0.27	1.02	1.83
2008	0.34	0.35	0.38	0.29	1.36
2007	0.27	0.27	-0.69	0.39	0.25

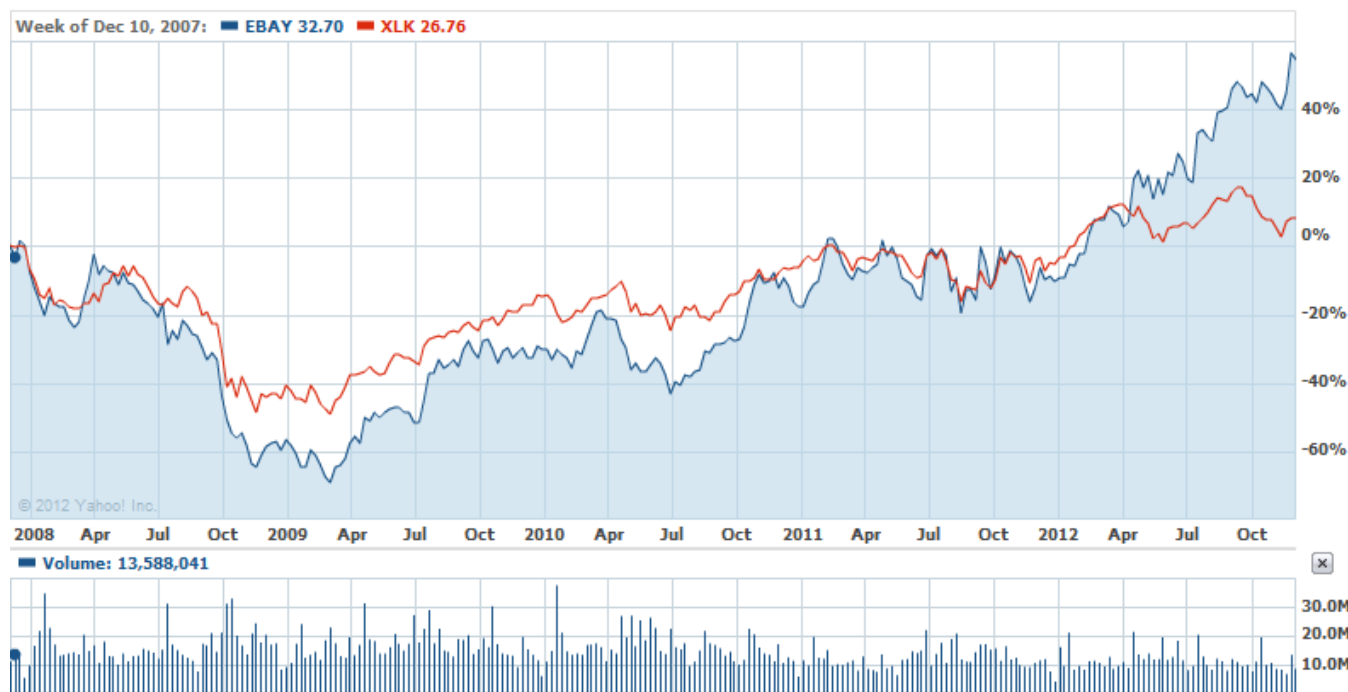
Fiscal year ended Dec. 31. Next earnings report expected: Mid January. EPS Estimates based on S&P Operating Earnings; historical GAAP earnings are as reported.

than the current overnight cash rates in the market.

While the current economic slowdown has not impacted EBay’s business, there are other factors that could impact EBay’s performance going forward:

- Increased regulation around global ecommerce and payment processing
- Continued consumer acceptance of the internet and emerging consumer acceptance of mobile devices
- Exposure to fluctuations in exchange rates and interest rates
- EBay’s ability to successfully integrate the new businesses they acquire, like GSI
- EBay’s ability to effectively manage the costs of and effectively upgrade user protection programs
- This industry has a low barrier of entry so the introduction of new competitors’ sites, services and products poses a risk
- Macroeconomic and geopolitical events affecting commerce generally

2012 Full Year Results as of Q3 '12: EBay beat the street’s estimates for the third straight quarter and recorded \$10.1B in revenues vs. \$8.3B in the 2011 (a 22% increase year over year). Diluted EPS was \$1.42 compared with \$0.95 during the prior year. These strong results are a direct result of growth in online commerce and payment processing. EBay recently launched its online mobile application for smartphones and it has already been downloaded over 100 million times. The ease of shopping and paying with mobile apps should continue to help EBay’s business going forward. Below is a graphical representation of EBay’s stock price compared to the S&P 500 technology sector:

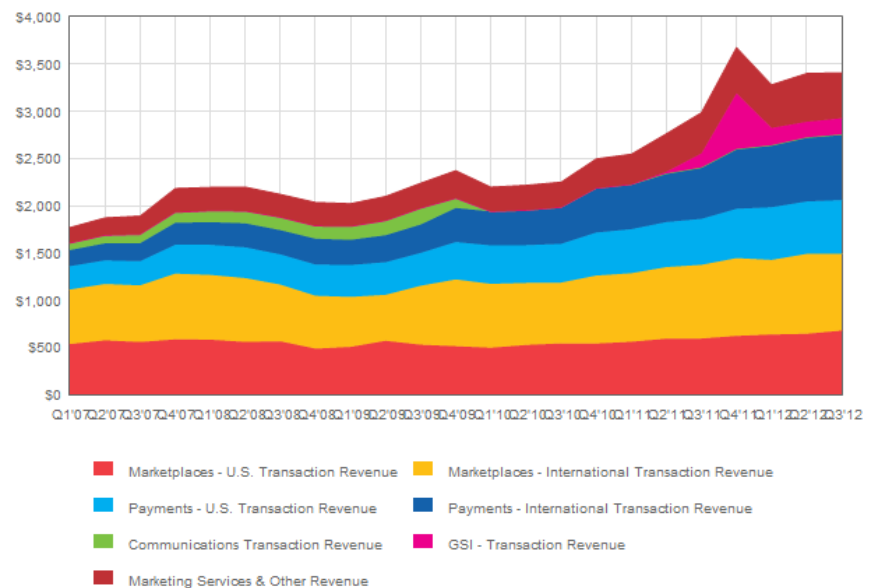


Investment Thesis: The internet software and services industry continues to grow at a rapid rate. With more and more corporations focused on improving their IT capabilities and bolstering their presence on the Internet, this group should continue to achieve record revenue and profits over the next several years and gain market share against more conventional competition. EBay’s new business model should allow it to take advantage of this growth industry.

Additionally, secular growth trends in mobile payment processing and ecommerce should really benefit EBay’s business going forward. These trends allow customers to purchase and sell items through EBay from their smartphone or tablet. Furthermore, payments can be processed with ease through these electronic devices

Business Summary: EBay Inc. provides online platforms, services, and tools to help individuals and merchants in online and mobile commerce and payments in the United States and internationally. They enable commerce through three reportable segments: Marketplaces, Payments, and GSI. Its Marketplace segment operates ecommerce platform eBay.com and other vertical shopping sites like StubHub. The company’s Payments segment offers payment and settlement services for consumers and merchants on and off eBay Websites and other merchant websites. Its GSI segment offers an ecommerce services suite for enterprise clients that operate in general merchandise categories. As of December 31, 2011, they had more than 100 million active users, millions of merchants using one or more of their platforms, and a developer community with more than 800,000 members. The chart to the right illustrates the diversification of revenues at EBay. This was not the case 5 years ago.

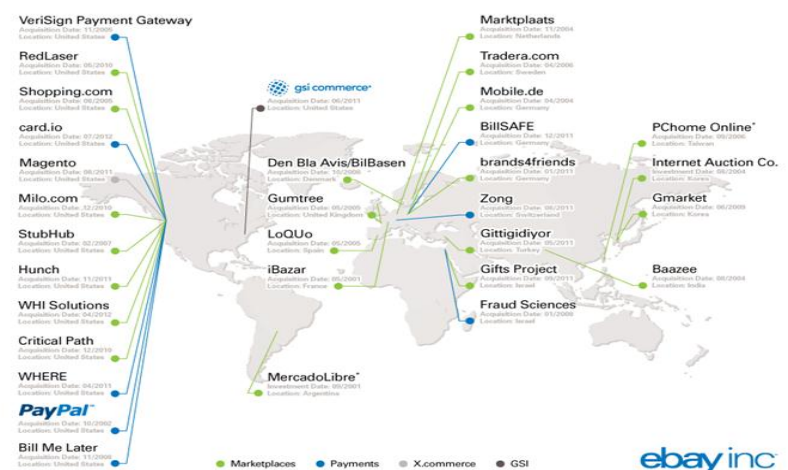
NET REVENUE DIVERSIFICATION (IN \$ MILLIONS)



Industry Trends: Internet companies continue to grow as the internet has become a growing necessity in peoples’ lives. According to the IDC, there were approximately 2.2 billion users of the internet at the end of 2011. Leading companies in this category (i.e. Amazon.com, Google Inc., Priceline.com, and EBay Inc.) all grew their revenues by more than 25% in 2011. IPO and M&A activity also has been increasing as the economy continues to improve. There is also a growing focus on mobile payment processing in this industry.

Management Trends: The EBay management team, led by John Donahoe, has focused on an acquisition strategy over the last 10 years and this strategy is really starting show outstanding results. Over the last 10 years, EBay has acquired more than 30 companies around the world. EBay is now positioned to take advantage of multiple secular internet growth trends. The management team is also committed to shareholder friendly activities like buying back stock. This has accelerated EBay’s growth in stock price over the last couple of years. To the right are EBay’s recent acquisitions:

HOW THE PORTFOLIO WAS BUILT: 2001–PRESENT



Financial Trend Analysis: The financial trends for EBay over the last five years have been mostly positive. Revenues have grown at an 11% CAGR and have been accelerating in the most recent periods. SG&A over that same period is also decreasing as a percentage of sales. These factors have led to significant increases in EBIT, which has increased by 50% CAGR. Gross and operating margins have declined slightly over the last five years. While the declines are not alarming at this point, we will continue to monitor this trend going forward. Return on equity has trended down slightly due to increased book equity.

Financial Health: EBay's balance sheet is very strong. Its current and quick ratios are almost 2 giving EBay ample funds to handle short term liabilities. It currently has cash and cash equivalents of slightly more than \$9B. This will most likely help EBay with its acquisition strategy. Cash flows from operations are also very strong as EBay generated over \$3B in CFO last year. This cash should be used for future share repurchases and capital investments.

Competitive Analysis: In the ecommerce segment, Amazon.com is EBay's most relevant competitor. Amazon is the largest player in the market, but EBay is making strides towards narrowing the gap. EBay has changed its pricing strategy to better compete with Amazon and give customer more choice. On the payment side of the business, EBay has a variety of competitors including, credit card companies, banks, and mobile payment processors. However, none of these companies offer the full range of products and the ease of capital that EBay provides.

Drivers of Future Growth:

- **EBay mobile application** has already been downloaded 100M+ times, making it quick and easy for customers to buy and sell items on their smartphones
- **PayPal's international payment processing** is currently growing at 29% year over year. There will be a continued focus on this segment as it makes up ~ 20% of EBay's total business.
- **Bill Me Later continues to gain in popularity** among online buyers. The process is quick and easy and gives customers access to funds.
- **GSI Commerce** should help EBay gain traction with big time ecommerce retailers. The acquisition puts EBay in charge of ecommerce and fulfillment for Ralph Lauren, NFL, Dicks Sporting Goods, and many other retailers.
- **Selling Skype to Microsoft** may have been one of the best management moves EBay could have ever made. The sale netted EBay with about \$1.5B while Microsoft is stuck with an asset that still lacks the ability to be monetized.

Valuation:

Valuation Assumptions	
Current Price	51.86
2013 Est. EPS	2.70
2014 Est. EPS	3.08
Revenue Growth	15%
Tax Rate	25%
WACC	8%
Terminal Growth Rat	3%

DCF Model - EBAY					Current	Projected					2011-2015
Free Cash Flows	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	CAGR
Revenue	7,672	8,541	8,727	9,145	11,678	14,022	16,132	18,401	20,840	23,339	15%
EBIT	767.45	2,191.60	2,879.15	2,098.00	3,935.08	4,725.12	5,436.14	6,200.75	7,022.64	7,864.75	15%
Taxes	159.93	454.18	490.05	297.49	680.66	1,181.28	1,359.04	1,550.19	1,755.66	1,966.19	
NOPAT	607.52	1,737.42	2,389.10	1,800.51	3,254.42	3,543.84	4,077.11	4,650.56	5,266.98	5,898.56	13%
+Depreciation	601.71	719.81	810.95	762.47	939.95	1,128.67	1,298.51	1,481.14	1,677.46	1,878.62	15%
-CapEx	453.97	565.89	567.09	723.91	963.50	1,156.94	1,331.03	1,518.24	1,719.48	1,925.67	15%
-ΔNWC		(1,441.42)	2,236.74	1,730.58	(621.57)	550.75	194.34	200.17	206.18	212.36	
FCF	755.26	3,332.77	396.21	108.48	3,852.45	2,964.82	3,850.24	4,413.29	5,018.78	5,639.14	
Terminal Value										96,480.57	
PV of Cash Flows						2,746.17	3,303.30	3,507.14	3,694.19	69,624.18	
Enterprise Value	82,874.98										
Plus: Cash	6,041.03										
Less: LTD	1,525.05										
Equity Value	87,390.96										
Current Shares Outstanding	1,286.49										
Equity Value Per Share	\$ 67.93										

WACC Calculation:

WACC Calculation	
Marginal tax rate	25%
Risk free rate	1.61%
Market risk premium	5.90%
Beta	1.1
Cost of equity	8.10%
Coupon	3.25%
Settlement	12/1/2011
Maturity	10/15/2020
Price	101.13
YTM	3.10%
Cost of debt pre-tax	3.10%
After tax cost of debt	2.33%
Share price	\$48.40
Market capitalization (M)	62,152.58
Total debt (M)	1,525
Total capital	63,678
% equity capital	97.61%
% debt capital	2.39%
Weighted average cost of capital	7.96%

Total Return Calculation:

Total Return Calculation	
Current Price	48.40
Fair Value	67.93
Div 1	0.00
Div 2	0.00
Div 3	0.00
Div 4	0.00
Div 5	0.00
Ttl Ann Ret 3 yr to FV	11.96%
Ttl Ann Ret 5 yr to FV	7.01%

Income Statement Projection:

	Projections					
	2011	2012	2013	2014	2015	2016
Net Sales or Revenues	11,678	14,022	16,132	18,401	20,840	23,339
Cost of Goods Sold	2,788	3,347	3,851	4,393	4,975	5,571
Gross Profit	8,890	10,675	12,281	14,008	15,865	17,768
Gross Margin	76%	76%	76%	76%	76%	76%
Selling, General & Admin Expenses	5,027	6,037	6,945	7,922	8,972	10,048
Depreciation	940	1,129	1,299	1,481	1,677	1,879
EBIT	3,935	4,725	5,436	6,201	7,023	7,865
Pretax Income	3,910	4,725	5,436	6,201	7,023	7,865
Income Taxes	681	1,181	1,359	1,550	1,756	1,966
Net Income to Common Shareholders	3,229	3,544	4,077	4,651	5,267	5,899

Shareholder Information:

Common Shares Outstanding	1,286.49	1,286.49	1,286.49	1,286.49	1,286.49	1,286.49
EPS - Continuing Operations	2.46	2.35	2.70	3.08	3.49	3.91
Dividends	N/A	N/A	N/A	N/A	N/A	N/A
Dividends per Share	N/A	N/A	N/A	N/A	N/A	N/A

Average Margins:

Gross Margin:	76%
Operating Margin:	34%
Net Margin	25%

Historical Financial Information:

Annual Income Statement					
	12/31/2011	12/31/2010	12/31/2009	12/31/2008	12/31/2007
	USD	USD	USD	USD	USD
Income Statement					
Net Sales or Revenues	11,677.5	9,145.1	8,727.4	8,541.3	7,672.3
Operating Expenses - Total	9,271.6	7,081.3	6,874.4	6,416.5	5,668.2
Cost of Goods Sold	2,787.6	1,991.9	1,946.9	1,743.2	1,365.4
Selling, General & Admin Expenses	5,027.4	3,934.6	3,733.7	3,606.0	3,701.1
Depreciation, Depletion & Amortization	940.0	762.5	810.9	719.8	601.7
Depreciation	602.8	508.4	473.4	438.2	372.5
Amortization of Intangibles	337.2	254.1	337.5	281.6	229.2
Amortization of Deferred Charges	-	-	-	-	-
Other Operating Expenses	516.7	392.2	382.8	347.5	0.0
Operating Income	2,405.9	2,063.9	1,852.9	2,124.8	2,004.1
Extraordinary Credit - Pretax	79.6	11.1	0.0	0.0	0.0
Extraordinary Charge - Pretax	38.9	30.8	411.6	49.1	1,390.9
Non-Operating Interest Income	110.8	31.4	1.5	115.9	154.3
Interest Expense On Debt	25.0	-	0.0	8.0	16.6
Pretax Equity In Earnings	0.0	0.0	0.0	0.0	0.0
Reserves- Increase(Decrease)	0.0	0.0	0.0	0.0	0.0
Other Income/Expense - Net	1,377.7	22.8	1,436.3	0.0	0.0
Interest Capitalized	0.0	0.0	0.0	-	-
Pretax Income	3,910.0	2,098.4	2,879.2	2,183.6	750.9
Income Taxes	680.7	297.5	490.1	404.1	402.6
Current Domestic Income Tax	542.1	(144.3)	603.9	509.1	440.3
Current Foreign Income Tax	121.6	92.2	65.0	101.7	85.6
Deferred Domestic Income Tax	61.1	406.8	(181.0)	(169.2)	(95.7)
Deferred Foreign Income Tax	(44.2)	(57.2)	2.2	(37.4)	(27.7)
Income Tax Credits	0.0	0.0	0.0	0.0	0.0
Minority Interest	0.0	0.0	0.0	-	-
Equity In Earnings	-	0.0	0.0	0.0	0.0
After Tax Other Income/Expense	0.0	0.0	0.0	0.0	0.0
Discontinued Operations	0.0	0.0	0.0	0.0	0.0
Net Income Before Extra Items/Preferred Div	3,229.4	1,801.0	2,389.1	1,779.5	348.3
Extr Items & Gain(Loss) Sale of Assets	0.0	0.0	0.0	0.0	0.0
Net Income Before Preferred Dividends	3,229.4	1,801.0	2,389.1	1,779.5	348.3
Preferred Dividend Require	0.0	0.0	0.0	0.0	0.0
Net Income to Common Shareholders	3,229.4	1,801.0	2,389.1	1,779.5	348.3
EPS Incl Extraordinary Items	2.5	1.4	1.8	1.4	0.3
EPS - Continuing Operations	2.5	1.4	1.8	1.4	0.3
Dividend Per Share	0.0	0.0	0.0	0.0	0.0
Common Shares Used to Calc Diluted EPS	1,312,950,000.0	1,327,417,000.0	1,304,981,000.0	1,312,608,000.0	1,376,174,000.0

Annual Balance Sheet

	12/31/2011 USD	12/31/2010 USD	12/31/2009 USD	12/31/2008 USD	12/31/2007 USD
Assets					
Cash & ST Investments	6,041.0	6,660.0	4,944.2	3,352.7	4,897.5
Cash	4,710.6	5,597.8	4,028.9	3,210.2	4,238.6
Short Term Investments	1,330.4	1,062.2	915.2	142.5	658.9
Receivables (Net)	6,195.3	4,134.2	3,188.3	2,544.4	1,994.1
Inventories - Total	0.0	0.0	0.0	0.0	0.0
Prepaid Expenses	169.5	115.5	102.7	159.9	140.6
Other Current Assets	255.7	155.7	225.0	229.7	90.4
Current Assets - Total	12,661.5	11,065.3	8,460.2	6,286.6	7,122.5
Long Term Receivables	0.0	0.0	153.9	0.0	0.0
Investment In Unconsolidated Subsidiaries	194.6	729.4	672.7	100.7	112.9
Other Investments	2,258.2	1,854.0	709.1	5.5	25.3
Property Plant & Equipment - Net	1,986.2	1,523.3	1,314.3	1,198.7	1,120.5
Other Assets	10,219.8	6,831.7	7,098.1	8,001.0	6,984.8
Total Assets	27,320.2	22,003.8	18,408.3	15,592.4	15,366.0
Liabilities					
Accounts Payable	283.1	185.0	192.4	170.3	156.6
ST Debt & Current Portion of LT Debt	564.6	300.0	0.0	1,000.0	200.2
Accrued Payroll	489.1	348.5	280.4	174.8	221.5
Income Taxes Payable	297.7	40.5	210.5	100.4	261.8
Other Current Liabilities	5,099.7	3,642.6	2,958.6	2,259.5	2,259.4
Current Liabilities - Total	6,734.2	4,516.5	3,642.0	3,705.1	3,099.6
Long Term Debt	1,525.0	1,494.2	0.0	0.0	0.0
Deferred Taxes	1,073.0	645.5	929.1	754.0	510.6
Other Liabilities	58.1	45.4	49.6	49.5	51.3
Total Liabilities	9,390.3	6,701.6	4,620.7	4,508.6	3,661.4
Shareholders' Equity					
Common Equity	17,929.9	15,302.2	13,787.6	11,083.9	11,704.6
Common Stock	1.5	1.5	1.5	1.5	1.5
Capital Surplus	11,144.8	10,480.7	9,986.2	9,585.9	8,996.3
Other Appropriated Reserves	(224.3)	(188.3)	(161.3)	(49.9)	1,701.3
Retained Earnings	13,389.5	10,160.1	8,359.1	5,970.0	4,190.5
Unrealized Foreign Exchange Gain(Loss)	185.8	408.4	570.4	788.2	-
Unrealized Gain(Loss) on Marketable Secur	588.0	531.2	408.9	165.2	-
(Less) Treasury Stock	7,155.4	6,091.4	5,377.3	5,377.0	3,185.0
Total Shareholders Equity	17,929.9	15,302.2	13,787.6	11,083.9	11,704.6
Total Liabilities & Shareholders Equity	27,320.2	22,003.8	18,408.3	15,592.4	15,366.0
Common Shares Outstanding	1,286.5	1,297.7	1,297.8	1,282.0	1,350.2

Annual Cash Flow Statement

	12/31/2011 USD	12/31/2010 USD	12/31/2009 USD	12/31/2008 USD	12/31/2007 USD
Operations					
Net Income / Starting Line	3,229.4	1,801.0	2,389.1	1,779.5	348.3
Depreciation, Depletion & Amortization	940.0	762.5	810.9	719.8	601.7
Depreciation & Depletion	602.8	508.4	473.4	438.2	372.5
Amortization of Intangible Assets	337.2	254.1	337.5	281.6	229.2
Deferred Income Taxes & Investment Tax Crec	17.0	349.6	(178.8)	(206.6)	(123.4)
Deferred Income Taxes	17.0	349.6	(178.8)	(206.6)	(123.4)
Other Cash Flow	(592.5)	731.8	(333.7)	737.0	1,986.8
Funds From Operations	3,593.8	3,644.9	2,687.5	3,029.6	2,813.4
Extraordinary Items	0.0	0.0	0.0	0.0	0.0
Funds From/For Other Operating Activities	(320.1)	(899.1)	220.6	(147.6)	(172.3)
Inc(Dec) In Receivables	(291.8)	(111.6)	(97.5)	(21.2)	(211.4)
Inc(Dec) In Accounts Payable	29.4	(9.3)	(27.2)	14.9	37.0
Inc(Dec) In Income Taxes Payable	131.9	(501.5)	280.0	197.6	151.3
Inc(Dec) In Other Accruals	(202.5)	(95.5)	(86.5)	(220.6)	(18.8)
Dec(Inc) In Other Assets/Liabilities	12.9	(181.2)	151.8	(118.3)	(130.3)
Net Cash Flow - Operating Activities	3,273.7	2,745.8	2,908.1	2,882.0	2,641.1
Investing					
Capital Expenditures (Addition to Fixed Assets)	(963.5)	(723.9)	(567.1)	(565.9)	(454.0)
Net Assets From Acquisitions	(3,223.1)	(90.6)	(1,209.4)	(1,360.3)	(863.6)
Increase In Investments	(2,290.2)	(2,643.5)	(1,142.1)	(214.6)	(270.7)
Decrease In Investments	1,596.1	1,436.2	103.6	136.2	888.8
Disposal of Fixed Assets	2,269.1	-	1,780.3	0.0	0.0
Other Use/(Source) - Investing	695.3	260.7	114.7	52.7	(6.3)
Other Uses - Investing	(695.3)	(385.7)	(121.1)	(52.7)	0.0
Other Sources - Investing	0.0	125.0	6.5	0.0	6.3
Net Cash Flow - Investing	(3,306.9)	(2,282.5)	(1,149.4)	(2,057.3)	(693.1)
Financing					
Net Proceeds From Sale/Issue of Com & Pref	242.2	235.5	102.5	135.1	507.0
Other Proceeds From Sale/Issuance of Stoc	242.2	235.5	102.5	135.1	507.0
Com/Pfd Purchased	(1,064.0)	(711.1)	0.0	(2,179.7)	(1,485.4)
Long Term Borrowings	0.0	1,488.7	0.0	0.0	0.0
Reduction In Long Term Debt	(199.3)	0.0	0.0	0.0	0.0
Inc(Dec) In Short Term Borrowings	250.0	300.0	(1,000.0)	366.0	200.2
Other Source (Use) - Financing	(67.4)	(78.8)	(48.2)	4.7	84.8
Other Sources - Financing	1,448.2	434.7	566.5	4.7	84.8
Other Uses - Financing	(1,515.6)	(513.4)	(614.6)	0.0	0.0
Net Cash Flow - Financing	(838.5)	1,234.4	(945.7)	(1,673.9)	(693.4)
Effect of Exchange Rate On Cash	(14.6)	(120.1)	(2.2)	(183.1)	303.8
Inc(Dec) In Cash & Short Term Investme	(886.3)	1,577.6	810.9	(1,032.3)	1,558.4

Annual Ratios					
	12/31/2011	12/31/2010	12/31/2009	12/31/2008	12/31/2007
	USD	USD	USD	USD	USD
Valuation Measures					
Market Cap	39,019.2	36,115.3	30,537.2	17,897.1	44,813.8
Net Sales or Revenues	11,677.5	9,145.1	8,727.4	8,541.3	7,672.3
Total Debt	2,089.6	1,794.2	0.0	1,000.0	200.2
Net Assets	27,320.2	22,003.8	18,408.3	15,592.4	15,366.0
Enterprise Value	35,067.8	31,249.5	25,593.0	15,544.4	40,116.5
EBITDA	4,875.0	-	3,690.1	2,911.4	1,369.2
EBIT	3,935.1	-	2,879.2	2,191.6	767.5
Capital Expenditure	963.5	723.9	567.1	565.9	454.0
Valuation					
Price/Earnings	12.3	20.5	12.9	10.3	132.8
Price/Sales	3.3	3.9	3.5	2.1	5.8
Price/Cash Flow	11.1	10.1	11.4	6.0	16.2
Price/Book Value	2.2	2.4	2.2	1.6	3.8
Price/Tangible BV	4.8	4.2	4.4	5.4	9.2
Enterprise Value					
Enterprise Value / Sales	3.0	3.4	2.9	1.8	5.2
Enterprise Value/ EBITDA	7.2	-	6.9	5.3	29.3
Enterprise Value / EBIT	8.9	-	8.9	7.1	52.3
Enterprise Value / Cash Flow	9.8	8.6	9.5	5.1	14.3
Enterprise Value / Free Cash Flow	15.2	15.5	10.9	6.7	18.3
Credit Statistics					
Total Debt/ Enterprise Value	0.1	0.1	0.0	0.1	0.0
Net Debt / Enterprise Value	-	-	-	-	-
Total Debt / EBITDA	0.4	-	0.0	0.3	0.1
Net Debt / EBITDA	NEG	-	NEG	NEG	NEG
EBITDA / Interest Expense	194.8	-	-	362.3	82.5
EBTIDA - Capex / Interest Expense	156.3	-	-	291.8	55.1
EBIT/ Interest Expense	157.2	-	-	272.7	46.2
Liquidity Leverage					
Quick Ratio	1.8	2.4	2.2	1.6	2.2
Current Ratio	1.9	2.4	2.3	1.7	2.3
Cash Flow/Current Liabilities	0.5	0.6	0.8	0.8	0.9
Long Term Debt / Equity	8.5	9.8	0.0	0.0	0.0
Total Debt / Equity	11.7	11.7	0.0	9.0	1.7
Long Term Debt / Total Capital	7.8	8.9	0.0	0.0	0.0
Total Debt / Total Capital	10.4	10.5	0.0	8.3	1.7
Working Capital / Total Capital	30.5	39.0	34.9	23.3	34.4
Profitability Ratios					
Gross Margin	68.08%	69.88%	68.40%	71.16%	74.36%
Gross Margin - 5 Yr Average	70.38%	71.93%	73.79%	75.95%	77.41%
EBITDA Margin	41.75%	-	42.28%	34.09%	17.85%
EBITDA Margin - 5 Yr Average	28.07%	25.11%	33.81%	32.29%	32.17%
EBIT Margin	33.70%	-	32.99%	25.66%	10.00%
EBIT Margin - 5 Yr Average	21.36%	18.45%	25.22%	24.00%	24.02%
Pre-Tax Margin	33.48%	22.95%	32.99%	25.56%	9.79%
Pre-Tax Margin - 5 Yr Average	24.95%	23.44%	25.66%	25.96%	26.96%
Net Margin	27.65%	19.69%	27.37%	20.83%	4.54%
Net Margin - 5 Yr Average	20.02%	18.26%	19.07%	18.36%	18.27%

Efficiency Ratios					
Sales Per Employee	0.4	0.5	0.5	0.5	0.5
Operating Profit Per Employee	0.1	-	0.2	0.1	0.0
Net Income Per Employee	0.1	0.1	0.1	0.1	0.0
Assets Per Employee	1.0	1.2	1.1	1.0	1.0
Total Asset Turnover	0.4	0.4	0.5	0.5	0.5
Inventory Turnover	-	-	-	-	-
Receivable Turnover	2.3	2.5	3.0	3.8	4.3
Payable Turnover	11.9	10.6	10.7	10.7	11.4
Management Effectiveness					
Return on Equity	19.44%	12.38%	19.21%	15.62%	3.08%
Return on Equity - 5 Yr Average	13.95%	12.21%	12.31%	11.15%	10.11%
Return On Assets	13.16%	8.91%	14.05%	11.53%	2.49%
Return On Assets - 5 Yr Average	10.03%	9.18%	9.59%	9.05%	8.55%
Return On Invested Capital	17.49%	11.66%	18.47%	14.88%	3.15%
Return On Invested Capital - 5 Yr Average	13.13%	11.79%	12.02%	10.96%	10.03%
Dividend Ratios					
Dividend Per Share	0.0	0.0	0.0	0.0	0.0
Dividend Yield	0.00%	0.00%	0.00%	0.00%	0.00%
Dividend Payout Ratio	0.00%	0.00%	0.00%	0.00%	0.00%
Growth Rates					
Sales	27.69%	4.79%	2.18%	11.33%	28.52%
Sales - 5 Yr	14.36%	14.97%	21.68%	31.59%	44.59%
EBITDA	-	-	26.75%	112.64%	(34.38%)
EBITDA - 5 Yr	18.50%	-	21.55%	28.69%	23.52%
Net Income	79.31%	(24.62%)	34.26%	410.97%	(69.06%)
Net Income - 5 Yr	23.47%	10.73%	25.15%	32.14%	6.86%
EPS	80.88%	(25.68%)	34.56%	444.00%	(68.35%)
EPS - 5 Yr	25.51%	11.76%	26.27%	31.95%	3.30%
Capital Expenditure	33.10%	27.65%	0.21%	24.65%	(11.93%)
Capital Expenditure - 5 Yr	13.33%	16.43%	14.13%	9.14%	26.77%
Research & Development	35.97%	13.12%	10.68%	17.08%	25.27%
Research & Development - 5 Yr	20.08%	22.58%	27.25%	35.42%	42.73%
Stock Performance					
Price Close	30.3	27.8	23.5	14.0	33.2
% Change	8.98%	18.27%	68.55%	(57.94%)	10.38%
Total Return	8.98%	18.27%	68.55%	(57.94%)	10.38%

Notes:

Sources: S&P, Thomson ONE Banker, Value Line, EBay SEC Filings, EBay Financial Updates