

EBAY INC  
Form 10-Q  
October 21, 2011

UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549

Form 10-Q

QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF  
1934

For the quarterly period ended September 30, 2011

OR

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF  
1934

For the transition period from \_\_\_\_\_ to \_\_\_\_\_

Commission file number 000-24821

eBay Inc.

(Exact name of registrant as specified in its charter)

Delaware  
(State or other jurisdiction of  
incorporation or organization)

77-0430924  
(I.R.S. Employer  
Identification Number)

2145 Hamilton Avenue  
San Jose, California  
(Address of principal executive offices)  
(408) 376-7400

95125  
(Zip Code)

(Registrant's telephone number, including area code)

Indicate by check mark whether the registrant: (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes

No

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Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes  No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of "large accelerated filer," "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer  Accelerated filer   
Non-accelerated filer  (Do not check if a smaller reporting company) Smaller reporting company

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes  No

As of October 17, 2011, there were 1,290,934,293 shares of the registrant's common stock, \$0.001 par value, outstanding, which is the only class of common or voting stock of the registrant issued.

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## PART I: FINANCIAL INFORMATION

## Item 1: Financial Statements

eBay Inc.

## CONDENSED CONSOLIDATED BALANCE SHEET

	September 30, 2011	December 31, 2010
	(In thousands, except par value amounts) (Unaudited)	
<b>ASSETS</b>		
Current assets:		
Cash and cash equivalents	\$ 2,998,950	\$ 5,577,411
Short-term investments	1,013,924	1,045,403
Accounts receivable, net	595,716	454,366
Loans and interest receivable, net	1,186,870	956,189
Funds receivable and customer accounts	3,295,115	2,550,731
Other current assets	671,770	481,238
Total current assets	9,762,345	11,065,338
Long-term investments	3,018,596	2,492,012
Property and equipment, net	1,859,190	1,523,333
Goodwill	8,341,910	6,193,163
Intangible assets, net	1,452,723	540,711
Other assets	465,773	189,205
Total assets	\$ 24,900,537	\$ 22,003,762
<b>LIABILITIES AND STOCKHOLDERS' EQUITY</b>		
Current liabilities:		
Short-term debt	\$ 1,015,830	\$ 300,000
Accounts payable	269,031	184,963
Funds payable and amounts due to customers	3,295,115	2,550,731
Accrued expenses and other current liabilities	1,427,706	1,343,888
Deferred revenue	108,274	96,464
Income taxes payable	29,196	40,468
Total current liabilities	6,145,152	4,516,514
Deferred and other tax liabilities, net	1,005,732	645,457
Long-term debt	1,528,158	1,494,227
Other liabilities	56,169	45,385
Total liabilities	8,735,211	6,701,583
Commitments and contingencies (Note 9)		
Stockholders' equity:		
Common stock, \$0.001 par value; 3,580,000 shares authorized; 1,290,645 and 1,297,710 shares outstanding	1,531	1,513
Additional paid-in capital	10,986,119	10,480,709
Treasury stock at cost, 240,687 and 215,082 shares	(6,905,567	) (6,091,435
Retained earnings	11,409,853	10,160,078
Accumulated other comprehensive income	673,390	751,314
Total stockholders' equity	16,165,326	15,302,179
Total liabilities and stockholders' equity	\$ 24,900,537	\$ 22,003,762

The accompanying notes are an integral part of these condensed consolidated financial statements.



eBay Inc.

## CONDENSED CONSOLIDATED STATEMENT OF INCOME

	Three Months Ended		Nine Months Ended	
	September 30,		September 30,	
	2011	2010	2011	2010
	(In thousands, except per share amounts)			
	(Unaudited)			
Net revenues	\$2,965,761	\$2,249,488	\$8,271,644	\$6,660,924
Cost of net revenues	919,697	640,268	2,425,752	1,862,194
Gross profit	2,046,064	1,609,220	5,845,892	4,798,730
Operating expenses:				
Sales and marketing	623,309	483,653	1,763,226	1,408,050
Product development	318,902	226,803	890,921	662,259
General and administrative	336,606	261,662	1,018,234	800,505
Provision for transaction and loan losses	146,054	97,964	371,641	296,025
Amortization of acquired intangible assets	84,605	45,957	181,978	148,104
Restructuring	(233 )	3,005	(482 )	20,437
Total operating expenses	1,509,243	1,119,044	4,225,518	3,335,380
Income from operations	536,821	490,176	1,620,374	1,463,350
Loss on divested business	—	—	(256,501 )	—
Interest and other income (expense), net	78,704	26,825	110,972	47,692
Income before income taxes	615,525	517,001	1,474,845	1,511,042
Provision for income taxes	(125,022 )	(85,072 )	(225,070 )	(269,268 )
Net income	\$490,503	\$431,929	\$1,249,775	\$