PAYPAL OVERVIEW
Global reach, local focus
We Enable Global Commerce...

- 190 global markets
- 20 local language sites
- 25 currencies
...Resulting In Tremendous Growth

Active accounts¹
In millions

<table>
<thead>
<tr>
<th>Year</th>
<th>Active accounts</th>
</tr>
</thead>
<tbody>
<tr>
<td>2008</td>
<td>70</td>
</tr>
<tr>
<td>2009</td>
<td>81</td>
</tr>
<tr>
<td>2010</td>
<td>94</td>
</tr>
</tbody>
</table>

16% CAGR

Transactions per active consumer account²

<table>
<thead>
<tr>
<th>Year</th>
<th>Transactions</th>
</tr>
</thead>
<tbody>
<tr>
<td>2008</td>
<td>11.5</td>
</tr>
<tr>
<td>2009</td>
<td>12.2</td>
</tr>
<tr>
<td>2010</td>
<td>13.5</td>
</tr>
</tbody>
</table>

8% CAGR

Over 100 million active accounts as of Q2 11

¹ As of December 31
² Trailing 12 months
...Resulting in Tremendous Growth

Growth in Total Payment Volume

TPV growing 3.0 times faster than online market

24% CAGR

$60 Billion
2008

$72 Billion
2009

$92 Billion
2010

1. Online market growth based on 12 countries (US, CA, AU, UK, DE, FR, IT, NL, ES, AT, BE, CH) using Forrester online retail and travel estimates.
Anyone with an email or phone number can send money or pay online without sharing financial information.

Directly from the PayPal wallet:

PayPal sends the money, but NEVER shares personal or financial information with the seller.

Seller receives money and can choose how they withdraw.
Successfully Bridging Two Worlds...

...by making traditional payment systems work better online.
Safety & Security Is In Our DNA

- Detect Fraudsters
- Phishing Protection
- ID Theft Protection
- Spoof Protection
- Fraud Prevention

Buyer and Seller Protections
Flows that Delight!

[Image of a shopping basket on a Harrods website with options for delivery and checkout]

Confidential and Proprietary
Checkout in 2 clicks!

- One username and password for all online purchases
- Simple payment summary for easy review
- Uses buyer information stored with PayPal
PayPal: Empowering the “New Dialogue”

We are well-positioned to connect buyers and sellers in a new dialogue to help realize greater value from their relationship.

Solutions In Every Channel and No Channel:

- Move the point of sale to where the decision is
- Connect buyer needs with trusted sellers and brands
- Let business compete – local vs. remote, off-vs. online
- Create new currencies and terms that inspire and sustain loyalty
- Win ‘top of wallet’ through smarts and ways to pay others can’t
Enabling the Revolution
New capabilities that allow merchants and consumers to connect and transact safely, anytime, anywhere and anyway

CONSUMERS

- **Unique Payment Utility:**
  - Options to pay and defer payment other methods can’t or don’t provide
- **Unique Forms of Value:**
  - Coupons, virtual gift cards, and virtual currencies
- **Shopping Utility:**
  - Offers, deals, eReceipts, wish lists
- **Anytime, Anywhere, Any Way:**
  - Web, mobile, NFC, “empty hand”, payment card
- **Safely, Securely:**
  - Data can’t be stolen if it is never shared

MERCHANTS

- **Multi-channel Support:**
  - Ability to target customers on and offline channels
- **Unique Targeting:**
  - Reach customers based on real purchase intent
- **Unique Value Delivery:**
  - Deliver coupons, offers and loyalty balances directly to the wallet
- **Easier Integration:**
  - Handles the complexity of splitting tender and discounting
- **Level Playing Field**
  - Access to capabilities formerly reserved for largest merchants
While Serving The World’s Largest Brands

<table>
<thead>
<tr>
<th>PayPal # of top 100 online merchants</th>
<th>PayPal large merchants</th>
</tr>
</thead>
<tbody>
<tr>
<td>United States</td>
<td>Retal</td>
</tr>
<tr>
<td>United Kingdom</td>
<td>HP</td>
</tr>
<tr>
<td>Germany</td>
<td>Walmart</td>
</tr>
<tr>
<td></td>
<td>Virgin mobile</td>
</tr>
<tr>
<td></td>
<td>Yahoo!</td>
</tr>
<tr>
<td></td>
<td>Starbuckes coffee</td>
</tr>
<tr>
<td></td>
<td>1-800 flowers.com</td>
</tr>
<tr>
<td></td>
<td>Argos</td>
</tr>
<tr>
<td></td>
<td>BIG W</td>
</tr>
<tr>
<td></td>
<td>DX dealextreme</td>
</tr>
<tr>
<td></td>
<td>Li-Ning</td>
</tr>
<tr>
<td>France</td>
<td>Travel</td>
</tr>
<tr>
<td></td>
<td>Delta</td>
</tr>
<tr>
<td></td>
<td>jetBlue</td>
</tr>
<tr>
<td></td>
<td>British Airways</td>
</tr>
<tr>
<td></td>
<td>Air China</td>
</tr>
<tr>
<td></td>
<td>Southwest.com</td>
</tr>
</tbody>
</table>

1. Source: PayPal
Revolutionize Commerce
The PayPal Vision is ambitious...and completely within our reach

PAYPAL: DELIVERING THE FUTURE
OF MONEY TODAY...
AN ESSENTIAL PART OF OUR CUSTOMERS’ FINANCIAL
AND BUSINESS LIVES, ENABLING SECURE COMMERCE
ANYTIME, ANYWHERE, ANY WAY