

PAYPAL TRANSACTION VOLUME DOUBLES TO \$2 BILLION

USED IN MORE THAN 1 IN 4 eBAY (TM) AUCTIONS

PALO ALTO, Calif. - April 18, 2001 — PayPal (<http://www.paypal.com>), the leading online payment service, today announced it has doubled its transaction volume in four months, hitting \$2 billion in payments processed since launch of the service in November 1999. With more than seven million registered users and growing, PayPal is the leading online payments provider serving consumers, online auction sellers and small business e-commerce sites.

"Reaching this benchmark so quickly is validation that we are meeting a tremendous customer need and that our business continues to grow as we head toward profitability," said Peter Thiel, CEO and founder of PayPal. "PayPal is enabling e-commerce by providing a valuable service for online auction and small business customers who have been underserved and overcharged for years. We are expanding and democratizing the world payments system by empowering small businesses and entrepreneurs -- the engine of economic growth and job creation -- with a safe, secure and inexpensive Web-based payments solution."

PayPal members spend approximately \$8 million a day in more than 160,000 transactions. More than 85% of those payments go to businesses, which pay transaction fees for use of the PayPal service. PayPal allows people and businesses to send and receive money instantly and securely over the Internet, funded from credit cards or bank accounts.

PayPal is the leading payment service for online auctions, including eBay(TM), where most auctions advertise PayPal as a preferred payment method. In fact, PayPal is the settlement means used in more than a quarter of all eBay(TM) auctions (approximately 28%). PayPal is also increasingly being used for non-auction e-commerce, and as a cost-effective payment service for off-line businesses looking to receive payment at their corporate website.

Since achieving its first billion dollars in transactions processed in December, PayPal has completed a \$90 million strategic financing round, secured key domestic and international partners, and expanded to 38 countries.

About PayPal

PayPal is the instant and secure online payment service that allows people and businesses to send and receive money by e-mail from bank accounts or credit cards. With more than 7 million members and growing, PayPal is the world's first and largest Internet-based payment service, and the #1 financial site on the Internet, according to PC Data Online. PayPal is the preferred payment service for online auctions, online community and group Websites, and is seeing tremendous growth in e-commerce transactions for small businesses. PayPal members send approximately \$8 million in more than 160,000 payments each day. Free to consumers, PayPal can be used from PCs or web-enabled mobile phones. Business users pay transaction fees to receive payments through PayPal.

Founded in 1998 by Peter Thiel and Max Levchin, PayPal is a privately held company headquartered in Palo Alto, California. PayPal was recently named one of the 50 Most Important Private Companies in the World by Red Herring and one of the Top 25 New Companies by Fortune Small Business. The PayPal Website has been cited as among the "Best of the Web" by Forbes, Time, PC Magazine and U.S. News & World Report. For more information, please visit <http://www.paypal.com>.

SOURCE: PayPal, Inc.

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