



CHATTER



DON'T MISS

TOWN HALL MEETING WITH LORRIE NORRINGTON

Hosted by Jim Griffith ("Griff"), Lorrie and her executive team will answer audience questions at 11am to Noon in room W-375E.

THE CHATTERBOX

Stop by to record a video message of your favorite eBay memories here on the Solutions Center floor.

THE 7TH ANNUAL CLOSING GALA

Celebrate the end of eBay Live! 2008 with dinner, dancing, the famous Twisted Lister, and Grammy-nominated artist Chris Isaak.

THE EBAY SHOP

It's your last chance to grab authentic apparel and cool eBay collectibles. There's something new every day.

THE COMMUNITY LOUNGE

It's an oasis on the Solutions Center floor. Relax and chat with staff and other members – and don't forget the photo booth.



A WELCOME MESSAGE FROM LORRIE NORRINGTON

Thank you so much for joining all of the eBay and PayPal staff here in the windy city of Chicago for eBay Live! 2008.

We know it was an investment of your time and money to be here. You came here expecting a lot from us – you want more information about the marketplace changes we're making to ensure eBay stays a vibrant place to buy and sell. You want more help on how to grow and expand your businesses so you can be

more successful. Most of all, you want our attention and our time, as you tell us in person what is working and what is not.

We've been putting "the power of all of us" into action over these last couple days. I've learned a lot from the conversations I've had with many of you, and I know 600 of my colleagues here from eBay and PayPal have as well. We'll go home with renewed inspiration and optimism about our future together, and I hope you will, too.

—Lorrie Norrington

President, eBay Global Marketplace Operations

JOHN & LORRIE OUR BEST DAYS LIE AHEAD

Chicago native and eBay CEO John Donahoe kicked off day two of eBay Live! 2008 at the event's keynote. As he thanked everyone for coming, he framed the audience's eBay accomplishments by pointing out they represent a collective score of more than 20 million Feedback and over \$1.3 billion worth of goods sold last year.

"As CEO, I feel an awesome sense of responsibility for leading eBay," said John. "And every day I am reminded of — and grounded by — the positive impact this company, and all of you, make in people's lives."

John reaffirmed that, while many things have changed in the almost 13 years since the inception of eBay, the company's core values have not. "Our core principle is that 'we believe people are basically good,'" John said. "eBay's values have not changed

— and never will. What has changed, however, is the world in which we compete."

As the competitive landscape has evolved, change has been necessary on eBay, but John admitted it's not always easy. While the company strives to do what's best for the collective good, with 84 million active users there are many opinions. "We all talk and debate around the kitchen table, and sometimes the discussion gets heated," he said, referring to the Community and staff. "That emotion is driven by the fact that we all care deeply about our marketplace."

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EBAY HONORS 5 COMMUNITY HALL OF FAME WINNERS FOR 2008

Since 2002, we've presented our Community Hall of Fame awards at eBay Live! Winners are members recognized as outstanding examples of the eBay Community Values, generously sharing their time and expertise with others. Our 2008 inductees received a signed certificate of appreciation from eBay CEO John Donahoe and President Lorrie Norrington at the keynote address. In addition, eBay Foundation will make a charitable donation of \$2,500 on behalf of the winner to a nonprofit organization of their choice.

Learn more about each of our 2008 Community Hall of Fame winners throughout this issue.

MEET HALL OF FAME WINNER UNCLEJOEADAMSON

Known affectionately on eBay as "Uncle Joe," unclejoeadamson has been described as "the consummate Community member." Forced to leave the workforce due to a medical condition, he was looking for an activity that would keep him "from going bonkers." eBay gave him a new way



to build his business and connect with others. "The ability to use eBay anytime, anywhere has allowed me to enjoy a connection to the world I wouldn't otherwise have."

Uncle Joe has used eBay to help countless others find success on the site. "When I was getting started on eBay, there were friendly people willing to extend a helping hand to me. It's my pleasure now to return that kindness to my friends and neighbors in the eBay Community." He's a PowerSeller, an Education Specialist, and a Trading Assistant. He also runs a variety of online eBay Groups, in which he offers help and advice to others, so they can make the most of their eBay experience. As he puts it, the best part of eBay has been "hands down, the ability to contribute to the fun and success of others."

Uncle Joe has selected Skyline Urban Ministry to receive his eBay Foundation grant.



KEYNOTE CONT'D FROM COVER

John talked openly about the more hands-on approach towards managing the marketplace. This year's changes are designed to reward behaviors that give buyers what they want. "When buyers come back for more, sellers like all of you will grow your businesses. At the end of the day, that is the definition of a healthy, vibrant marketplace."

Before he turned over the stage, John ended with a heart-felt "Thank you" to the audience, who as part of the Community, make eBay what it is. "When it comes to eBay, I can't say these two words enough ... And that's because if there's any company that can claim the title of a 'people's business,' it's eBay."

Next eBay's President of Global Marketplace Operations Lorrie Norrington made an enthusiastic entry onto the stage to talk more about eBay's plans. "We want eBay to be a source of delight for buyers and a source of growth for sellers... and it takes trust to do that."

As eBay works to evolve the marketplace, the company has made a shift in how they refer to buyers and sellers. "Since January of this year, some of you

The net effect... is that buyers are happier

may have noticed that we've been calling both sellers and buyers our customers. I'll be honest with you ... that was new for us," revealed Lorrie. "But it was an important shift to make, because it assumes much more responsibility on our part to ensure everyone has a great experience on eBay."

Next Lorrie announced a number of important changes designed to improve the site experience for everyone, while increasing trust on the site. Leading the list was new, improved protection from PayPal for ALL eBay.com sellers that is coming this fall.

"Whenever PayPal is used for any of your eBay sales, your eligible transactions are covered." (See PayPal article on the next page for more information.) She went on to discuss the new seller incentives and rewards launched earlier this year, which have had a positive influence on the site. Sellers who provide the best buying experiences as illustrated by their high Detailed Seller Ratings are eligible for improved visibility for their listings. PowerSellers with great DSRs are also eligible for great pricing discounts. These incentives have encouraged sellers to "up their game" and improve buyer satisfaction.

"I'm happy to tell you that it's working," said Lorrie. "In January, we knew that 60% of PowerSellers had DSRs of 4.6 and above. Today, 67% have DSRs 4.6 or greater." What's more, the number of PowerSellers with 4.8 DSRs and above has increased dramatically. "Today 33% have a DSRs 4.8 or greater—that means that we have more than doubled the number of our best sellers! The net effect of all these numbers is that buyers are happier."

Based on the success of these incentives so far, Lorrie announced that a new discount would be available next month. "Effective with your July invoices, we're giving a 20% discount on final value fees to PowerSellers who have 4.9 or greater across the four DSR criteria. Today, 16% of all PowerSellers would qualify for the 20% final value fee discount, including some of you sitting in this audience today."

Lorrie struck a positive chord when she told sellers there was good news for their shipping DSRs, thanks to UPS. "Last year, we announced the UPS Special Pricing Program, offering all eBay sellers daily rates with savings of up to 31%. I am delighted to announce that UPS is now offering an additional discount — eBay PowerSellers can now get up to 23% off UPS daily rates for ground shipping."

Investing in change that makes eBay safer and easier to use for buyers is another priority. Besides enhancements in the search and user experience, eBay is giving top buyers — our best buyers that sellers love — coupons and customer support. "We've found that buyers

who redeem a coupon buy more frequently. And by the way, these are the ideal buyers we're targeting, the ones every seller wants." Buyers, too, will benefit from improved PayPal protection. "If you choose PayPal to close your eligible eBay transaction, you're covered."

Acknowledging the symbiotic relationship between sellers, their great merchandise, and buyers, Lorrie's attention turned to pricing. "Now let's talk about how we're planning to get more of your stuff onto eBay." Back in January, eBay began rebalancing pricing — reducing up-front listing fees, and increasing final

value fees that are only paid when an item sells successfully. "It's working," said Lorrie. "Between now and the holiday season we'll do more to support your success and ensure that we are price competitive in every key category."

Finally, Lorrie touched on Feedback — a subject that many attendees at the event are passionate about. A short chorus of boos was heard when she brought up the change that prevents sellers from leaving negatives and neutrals for buyers. Lorrie smiled at the crowd, and motioned sincerely for more input. "Retaliatory feedback was the number one reason top buyers told us they were leaving eBay...we simply couldn't allow that to continue." She added, "We won't get everything right...for example, we're looking at a new Feedback

withdrawal mechanism to encourage buyers and sellers to resolve issues on their own."

Lorrie ended with an optimistic eye on the future. "I hope you find the direction we're moving in as exciting as I do. For all that we've accomplished together, I know our best days lie ahead."

For more information, please visit the eBay General Announcement board.



PAYPAL PRESIDENT SCOTT THOMPSON ON PAYPAL'S 10TH ANNIVERSARY

This year PayPal turns 10. In just a decade, PayPal has grown from a small payment startup into the world's leading online payment system, processing more than \$50 billion per year in 190 markets worldwide. In fact, PayPal transacts nearly \$2,000 in total payment volume every second.

Scott Thompson, who became President of PayPal in early 2008 after a long career in payments with Visa and Barclay's, sat down with us to take a look back at where PayPal's been since those early days, and where it's going.

WHY DO YOU THINK PAYPAL HAS DONE WELL?

I think PayPal has been successful because we really try to do the right thing for our customers. And in particular we do the right thing for the small merchants — the small guy who is trying to succeed and build a good business and who needs the flexibility and services we offer. PayPal also has strong appeal for buyers shopping online. We let them shop on the Internet in a safe, very convenient, very secure way.

WHAT HAVE BEEN SOME OF THE MOST IMPORTANT FACTORS IN PAYPAL'S GROWTH?

I'm very proud of the reliability of our payment system. A payment system has to work 24 hours a day, every day of the week. Our customers don't have to keep "business hours" in order to use our site — we're there when they need us. And when I joined in 2005, we were still feeling some growing pains, and the service wasn't as predictable. We made the reliability and availability of our systems a top priority.

TELL US A LITTLE BIT ABOUT THE BUYER AND SELLER PROTECTION ANNOUNCED IN THE KEYNOTE.

We are really excited about this!

PayPal and eBay are working together to enhance trust in the eBay marketplace. Starting in September, when buyers pay with PayPal on eBay.com, they're covered 100% for eligible items not received or significantly not as described. And there is no coverage limit.

For US sellers, they'll be completely covered from any losses that come from PayPal payments made with stolen credit cards or stolen accounts. What's more, sellers can ship to buyers in any of the 190 markets worldwide where PayPal is accepted and still be covered from these types of fraudulent transactions. This means no more confirmed addresses, no annual coverage limit, and unlike other payment methods that charge for fraud protection services, protection is free.

I'm proud to say that PayPal is the only payment service of this size and volume offering this level of protection to our customers.

WHAT IS PAYPAL'S BIGGEST CHALLENGE IN THE NEXT TEN YEARS?

I think the biggest challenge we have is to stay "small" as we grow big. I think the financial metrics will speak for themselves ten years from today, but I mean we need to retain the energy, the excitement, the can-do nature of this organization — we can never lose that.



MEET HALL OF FAME WINNER SNOWDEALSNOW

After discovering eBay in 1999, snowdealsnow was inspired by the potential. "After filling up my truck with yard sale finds on weekends, I would borrow a friend's digital camera to list the stuff on eBay during the week." Soon he quit his day job. "I love being self employed and selling on eBay has allowed me to grow a successful online business while working flexible hours."

snowdealsnow has been a shining example of how to use eBay Giving Works to raise money for a cause he cares passionately about — ending cruelty to farm animals and promoting awareness of ethical food choices. "Best of all, I am able to donate 10% of all sales to Farm Sanctuary. I get a feeling of satisfaction knowing I am helping make the world a better place for farm animals and other creatures." He was given a Golden Ribbon award in 2007 by the eBay Giving Works team for being the top Community seller based on funds raised through the program.

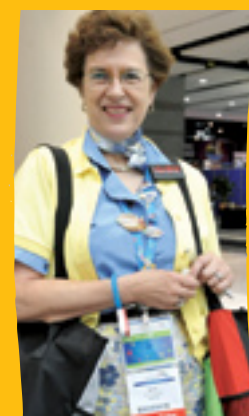
Farm Sanctuary will also receive the eBay Foundation grant given in honor of snowdealsnow's Community Hall of Fame award.

MEET HALL OF FAME WINNER DANNA

Back in 1997, talk of great sales from some of eBay's earliest sellers at an Illinois swap meet turned danna on to eBay. Over the last decade, she's made eBay her full-time career. A self-described "eBay groupie," she's not only a PowerSeller, but she's dedicated herself to teaching others how to be successful on eBay as well. As an author, she's written several eBay how-to books. She's also an active Trading Assistant and Education Specialist.

"I enjoy helping other members be the best they can be, and sharing my experiences with them. I find it extremely rewarding to watch people I help grow their eBay careers."

danna's generosity extends into her tireless work as an advocate for eBay Giving Works, the program that facilitates compassionate commerce on eBay. "eBay Giving works is where my heart is! As an Education Specialist I include it into all my classes automatically." danna has selected Hospice of Marion County in Florida to receive her grant from the eBay Foundation.



MEET HALL OF FAME WINNER KATHIESKLOWN1970

kathiesklown1970 has established herself as one of the most helpful contributors to eBay's Answer Center and online PayPal discussion forum. "When I started buying and selling I didn't know a lot about the site, and I was helped in the Answer Center by some great members. I wanted to give back to the Community once I had the knowledge myself. Plus, I learn something new every time I help out."

With her unflappable community spirit, kathiesklown1970 will stop at nothing to help someone who needs it — even language barriers don't get in her way. In just one of many examples of how she helps her fellow members, she's been known to use translators to help people who speak other languages with their PayPal-related questions.

kathiesklown1970 has chosen to donate her grant to the American Heart Association in honor of a friend who lost her husband suddenly to a heart attack.

MEET HALL OF FAME WINNER SHOEMETRO

shoemetro is comprised of David and Will, a two-man team that's been selling on eBay since 2003. Having started humbly by selling a few small electronics, today they are a major

seller of shoes and have accumulated over 258,000 Feedback comments. Despite their growing business, they still find time to participate in the

Community. "We frequent the eBay boards, are involved in a few groups, and read newsletters. These give us the most value for our time and keep us updated on the eBay Community."

Like many eBay sellers, giving back is important to shoemetro. They began using eBay Giving Works two years ago. Since then, they have participated in all 19 Spotlight on a Cause campaigns in that timeframe, listing over 3,400 items with a charitable component. "We find it a win/win/win for us, the charity, and the buyer. We have been fortunate as eBay sellers and appreciate the fact that we can use the same vehicle that brought us our success to give back to others in need."

They've chosen the Boys and Girls Clubs of America to receive a grant from the eBay Foundation in their honor.

CHATTER STAFF

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EBAY FOUNDATION JOINS WITH THE EBAY COMMUNITY TO DO GOOD

Tonight at the Closing Gala, just before Chris Isaak gets you boogieing on the dance floor, eBay Foundation will be giving three nonprofits something exciting to dance about. Best Friends Animal Society, Oxfam, and First Book will receive checks tonight, made possible by the combined efforts of eBay Foundation and the generosity of our Community during the Community Gives campaign.

eBay Foundation (the primary vehicle through which eBay makes charitable contributions to help local communities) launched Community Gives at the end of April. Through this campaign, the Foundation offered eBay members a new way to participate in its giving efforts.

After seeding the campaign with a grant of \$1 million to be split evenly among the three nonprofits, eBay Foundation is adding a dollar for every eBay member who donates to one of these causes through the end of June:

→ **Best Friends Animal Society** which is building a puppy care center so that hundreds of abused and injured puppies can have a chance to find loving permanent homes.

→ **Oxfam** who is using the funds to supply clean, safe water to alleviate poverty for tens of thousands of people in Ethiopia and Zambia.

→ **First Book** whose donation will go to providing new books so that hundreds of thousands of low-income children can discover the magic of reading. Community Gives received an enthusiastic reception from members. In less than two months, eBay members in all 50 states and from over 20 countries made donations. The Community Gives campaign is a truly moving testament to the generosity of the eBay Community, so give yourself an extra round of applause this evening at the Closing Gala!

If you'd like to add to the growing amount of good from the Community, you can stop by the Creating Good Booth (#663) to make a donation today and receive a cool 'I GAVE' sticker.

Community Gives runs through the end of June, so visit www.communitygives.org because we can achieve anything when we all give together.



2008 EBAY DEVELOPERS CONFERENCE MEET OUR STAR DEVELOPER AWARD WINNERS

E-commerce developers and entrepreneurs building applications on the eBay and PayPal platforms came together earlier this week during the 6th Annual eBay Developers Conference. From widgets to Wii gaming stations, from mobile devices to Mac tools, these developers are extending eBay and PayPal through their ingenuity. Each year, the eBay Developers Conference gives them a place to come together, to learn and share with their peers, and to vie for coveted prizes.

This year awards in five categories were up for grabs, and the eBay platform team was flooded with nominations. PayPal also gave out awards for Most Innovative, and Service to the Developer Community. Here are our winners:

- The DSR Rockstar award, given to the application that helps sellers fulfill their orders, went to **ShipRush by Z-Firm**, which helps smooth out the shipping process for eBay sellers.
- The Early Adopter award was given to **iRibbit by Aduci**, which optimizes eBay for the browser on the iPhone.
- The prize for Best Design went to the **Kyozou Widget by Kyozou**, which lets you show off your cool stuff to interested buyers anywhere on the social Web.
- The Innovative Award for eBay went to **Scendix Software** for their Jaast for Wii application, which lets you use eBay through your Nintendo Wii system.



→ The PayPal award winner was **Eventbrite**, a self-service event registration and online ticketing platform based on PayPal.

This year two Service awards were given to individuals who have been especially helpful within the developer community by sharing their technical expertise and product suggestions:

→ The eBay award went to **Joe Fox**, known as **(elzorro)**, of BD Network in the UK.

→ PayPal honored **Andrew Angell**, known as **angelleye**, of USBswiper.

As a nod to the great city of Chicago, the awards handed out were chosen to bring a bit of local flavor — each winner received their own Jake and Elwood Blues Brothers bobble-head trophy. Congratulations to all our winners.