

EBAY INC
Form 424B5
March 02, 2016
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Filed Pursuant to Rule 424(b)(5)
File No. 333-197522

The information in this preliminary prospectus supplement is not complete and may be changed. A registration statement relating to these securities has become effective under the Securities Act of 1933, as amended. This preliminary prospectus supplement and the accompanying prospectus are not an offer to sell these securities or the solicitation of an offer to buy these securities in any jurisdiction where the offer or sale is not permitted.

Subject to Completion

Preliminary Prospectus Supplement dated March 2, 2016

PROSPECTUS SUPPLEMENT

(To Prospectus dated July 18, 2014)

\$

\$ % Notes due

\$ % Notes due

eBay Inc. is offering \$ aggregate principal amount of its % Notes due (the notes) and \$ aggregate principal amount of its % Notes due (the notes and, together with the notes, the notes). Unless redeemed prior to maturity, the notes will mature on and the notes will mature on . We will pay interest on the notes of each series semi-annually in arrears on and of each year, commencing , 2016.

We may redeem some or all of the notes of each series at any time and from time to time prior to their maturity at the applicable redemption prices described in this prospectus supplement under the heading Description of Notes Optional Redemption.

If a Change of Control Triggering Event (as defined) occurs with respect to the notes of any series, we may be required to offer to purchase the notes of such series from the holders as described under the heading Description of Notes Change of Control Triggering Event.

The notes will be the senior unsecured obligations of eBay Inc. The notes will rank equally in right of payment with all other existing and future senior unsecured indebtedness of eBay Inc.

Investing in the notes involves a high degree of risk. See Risk Factors beginning on page S-7 of this prospectus supplement, on page 3 of the accompanying prospectus and in our most recent Annual Report on Form 10-K for information about important risks you should consider before buying the notes.

Per Note	Public Offering Price ⁽¹⁾	Underwriting discount	Proceeds, before expenses, to eBay
	\$	\$	\$
	%	%	%
Total For Notes	\$	\$	\$
Per Note	%	%	%
Total For Notes	\$	\$	\$
Total For All Notes	\$	\$	\$

⁽¹⁾ Plus accrued interest, if any, from _____, 2016, if settlement occurs after that date.

Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of these securities or determined if this prospectus supplement or the accompanying prospectus is truthful or complete. Any representation to the contrary is a criminal offense.

The underwriters expect to deliver the notes in book-entry form only through the facilities of The Depository Trust Company for the accounts of its participants, including Clearstream Banking, société anonyme and Euroclear Bank, S.A./N.V., as operator for the Euroclear System, against payment in New York, New York on or about _____, 2016.

Joint Book-Running Managers

BofA Merrill Lynch

J.P. Morgan

Morgan Stanley

Wells Fargo Securities

Citigroup

Deutsche Bank Securities

The date of this prospectus supplement is _____, 2016

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ABOUT THIS PROSPECTUS SUPPLEMENT

This prospectus supplement and the accompanying prospectus are part of a shelf registration statement that we have filed with the Securities and Exchange Commission (the SEC). By using a shelf registration statement, we may sell one or more series of the debt securities described in the accompanying prospectus from time to time in one or more offerings. The accompanying prospectus provides you with a general description of some of the terms of the debt securities we may offer, some of which may not be applicable to this offering. This prospectus supplement describes some of the specific terms applicable to this offering of notes. In addition, this prospectus supplement and any related free writing prospectus may also add, update or change information contained in the accompanying prospectus or any document incorporated or deemed to be incorporated by reference therein and, accordingly, any statement in the accompanying prospectus or in any document incorporated or deemed to be incorporated by reference therein will be deemed modified or superseded to the extent that any statement contained in this prospectus supplement or any related free writing prospectus modifies or supersedes that statement. We urge you to read carefully this prospectus supplement, the accompanying prospectus and any related free writing prospectus, together with the documents incorporated and deemed to be incorporated by reference in the accompanying prospectus as described under the heading **Where You Can Find More Information** in the accompanying prospectus, before deciding whether to invest in any of the notes.

The distribution of this prospectus supplement, the accompanying prospectus and any related free writing prospectus and the offering of the notes in certain jurisdictions may be restricted by law. Persons into whose possession this prospectus supplement, the accompanying prospectus and any related free writing prospectus come should inform themselves about and observe any such restrictions. No action has been or will be taken by us or by any underwriter or dealer that would permit a public offering of the notes or the possession or distribution of this prospectus supplement, the accompanying prospectus or any related free writing prospectus in any jurisdiction where action for that purpose is required, other than the United States. Neither this prospectus supplement, the accompanying prospectus nor any related free writing prospectus constitutes, and none of the foregoing may be used in connection with, an offer or solicitation by anyone in any jurisdiction in which such offer or solicitation is not authorized or in which the person making such offer or solicitation is not qualified to do so or to any person to whom it is unlawful to make such offer or solicitation.

You should rely only on the information contained or incorporated or deemed to be incorporated by reference in this prospectus supplement, the accompanying prospectus and any related free writing prospectus. We have not, and the underwriters have not, authorized any person to provide you with different or inconsistent information. If anyone provides you with different or inconsistent information, you should not rely on it. We are not, and the underwriters are not, making an offer to sell these securities or soliciting an offer to buy these securities in any jurisdiction where the offer or sale is not permitted. You should assume that the information appearing in this prospectus supplement, the accompanying prospectus, the documents incorporated and deemed to be incorporated by reference in the accompanying prospectus and any related free writing prospectus is accurate only as of the respective dates of those documents. Our business, financial condition, results of operations and prospects may have changed since those dates.

This prospectus supplement, the accompanying prospectus, the documents incorporated and deemed to be incorporated by reference in the accompanying prospectus and any related free writing prospectus include or may include trademarks, service marks and trade names owned by us or others. All trademarks, service marks and trade names included in this prospectus supplement, the accompanying prospectus, the documents incorporated or deemed to be incorporated by reference in the accompanying prospectus or any related free writing prospectus are the property of their respective owners.

Unless we otherwise specify or the context otherwise requires, in this prospectus supplement references to **we**, **us**, **our** or **eBay** mean the current Delaware corporation (eBay Inc.) and its California predecessor, as well as all of our consolidated subsidiaries, references to **eBay Inc.** refer to eBay Inc. excluding its subsidiaries, references to **PayPal** mean the businesses underlying our former Payments segment, references to any **free writing prospectus** mean any free writing prospectus we file with the SEC in connection with this offering, and references to any of our Annual Reports on Form 10-K filed with the SEC include any amendments thereto.

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PROSPECTUS SUPPLEMENT SUMMARY

This following summary highlights information contained elsewhere or incorporated or deemed to be incorporated by reference in this prospectus supplement and the accompanying prospectus and does not contain all of the information that you should consider in your evaluation of an investment in the notes. You should read carefully this prospectus supplement and the accompanying prospectus, including the information set forth under the headings Risk Factors, the documents incorporated and deemed to be incorporated by reference in the accompanying prospectus and any related free writing prospectus in their entirety before making an investment decision.

eBay

eBay is a global commerce leader including our Marketplace, StubHub and Classifieds platforms. Collectively, we connect millions of buyers and sellers around the world. The technologies and services that power our platforms are designed to enable sellers worldwide to organize and offer their inventory for sale and buyers to find and buy it virtually anytime and anywhere. Our Marketplace platforms include our online marketplace located at www.ebay.com, its localized counterparts and the eBay mobile apps, which we believe are among the world's largest and most vibrant marketplaces for discovering great value and unique selection. Our StubHub platforms include our online ticket platform located at www.stubhub.com and the StubHub mobile apps. These platforms provide fans with a safe, convenient place to purchase tickets to the games, concerts and theater shows they want to attend and an easy way to sell tickets. Our Classifieds platforms include a collection of brands such as Mobile.de, Kijiji, Gumtree, Marktplaats, eBay Classifieds and others. Offering online classifieds in more than 1,500 cities around the world, these platforms help people find whatever they are looking for in their local communities.

On September 30, 2014, we announced that our Board of Directors (the Board), following a strategic review of our growth strategies and structure, had approved a plan to separate PayPal into an independent publicly traded company. On July 17, 2015, we completed the distribution (the Distribution) of 100% of the outstanding common stock of our former subsidiary PayPal Holdings, Inc. to our stockholders pursuant to which PayPal Holdings, Inc. became an independent company.

Additionally, during the second quarter of 2015, our Board approved a plan to sell our Enterprise segment (Enterprise). On July 16, 2015, we signed a definitive agreement to sell Enterprise and on November 2, 2015, the sale closed.

For additional information on the Distribution and the sale of Enterprise, see Note 4 - Discontinued Operations in our Annual Report on Form 10-K for the year ended December 31, 2015, which is incorporated by reference in the accompanying prospectus and may be obtained as described under Where You Can Find More Information in the accompanying prospectus.

Our principal executive offices are located at 2065 Hamilton Avenue, San Jose, California 95125, and our telephone number is (408) 376-7400. Our internet address is www.ebay.com. Our investor relations website is located at <http://investor.ebayinc.com>. The information contained in, or that can be accessed through, our websites (including, without limitation, any of the websites mentioned in this paragraph or elsewhere under this caption eBay) is not part of this prospectus supplement, the accompanying prospectus, the documents incorporated or deemed to be incorporated by reference in the accompanying prospectus or any free writing prospectus and any references to our websites are intended to be inactive textual references only.

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The summary below describes some of the terms of this offering of notes. Certain of the terms described below are subject to important limitations and exceptions. The Description of Notes section of this prospectus supplement and the Description of Debt Securities section in the accompanying prospectus contain a more detailed description of some of the terms of the notes. In this section, we, us, and our refer only to eBay Inc. and not any of its subsidiaries.

Issuer	eBay Inc.
Securities Offered	<p>\$ aggregate principal amount of % Notes due (the notes).</p> <p>\$ aggregate principal amount of % Notes due (the notes and, together with the notes, the notes).</p>
Maturity	<p>notes: .</p> <p>notes: .</p>
Interest Rate	<p>notes: % per year payable semi-annually in arrears on and of each year, commencing on , 2016, and accruing from , 2016.</p> <p>notes: % per year payable semi-annually in arrears on and of each year, commencing on , 2016, and accruing from , 2016.</p>
Ranking	<p>The notes will be our senior unsecured obligations. The notes will rank equally in right of payment with all of our other existing and future senior unsecured indebtedness. The notes will be effectively subordinated in right of payment to all of our existing and future secured indebtedness to the extent of the collateral securing that indebtedness. The notes will also be effectively subordinated in right of payment to all existing and future indebtedness and other liabilities of our subsidiaries.</p> <p>At December 31, 2015, we had approximately \$6.8 billion carrying value (including hedge accounting fair value adjustments) of senior unsecured notes outstanding; no indebtedness outstanding under our up to \$1.5 billion commercial paper program; no indebtedness outstanding under our \$2.0 billion senior unsecured revolving credit facility and \$2.0 billion of available borrowing capacity under our senior unsecured revolving credit facility (of which \$1.5 billion of available borrowing capacity was reserved to provide liquidity support, if required, for our commercial paper program); and no secured indebtedness outstanding. In addition, on February 29, 2016, we issued \$750 million aggregate principal amount of our 6.00% Notes due 2056. At December 31, 2015, our subsidiaries had no indebtedness outstanding.</p>

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Certain Covenants

The indenture governing the notes contains covenants that will limit our ability and the ability of our Significant Subsidiaries (as defined

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under Description of Debt Securities Covenants Certain Definitions in the accompanying prospectus) to:

issue, incur, create, assume or guarantee any debt for borrowed money secured by a Lien upon any Principal Property (as those terms are defined under Description of Debt Securities Covenants in the accompanying prospectus), any shares of capital stock of our Significant Subsidiaries or any intercompany debt for borrowed money owed by any of our Significant Subsidiaries to us or any of our other subsidiaries; and

enter into certain sale and lease-back transactions with respect to any Principal Property.

The indenture also contains a covenant that requires that we satisfy certain conditions in order to consolidate with or merge into, or convey, transfer or lease all or substantially all of our properties and assets to, any person.

These covenants are subject to important exceptions and limitations and you should carefully review the information appearing under the headings Risk Factors in this prospectus supplement and the accompanying prospectus and Description of Debt Securities in the accompanying prospectus for additional information and for the definitions of some of the capitalized and other terms used under this caption Prospectus Supplement Summary The Offering.

Optional Redemption

The notes are redeemable at our option, at any time in whole or from time to time in part, at a redemption price equal to the greater of (i) 100% of the principal amount of the notes to be redeemed and (ii) the sum of the present values of the remaining scheduled payments of principal of and interest on the notes to be redeemed (exclusive of accrued and unpaid interest to the applicable redemption date), discounted to such redemption date on a semi-annual basis (assuming a 360-day year consisting of twelve 30-day months) at the Treasury Rate plus basis points, plus, in the case of both clauses (i) and (ii) above, accrued and unpaid interest, if any, to such redemption date.

The notes are redeemable at our option, at any time in whole or from time to time in part, prior to (the Par Call Date) at a redemption price equal to the greater of (i) 100% of the principal amount of the notes to be redeemed and (ii) the sum of the present values of the remaining scheduled payments of principal of and interest on the notes to be redeemed (exclusive of accrued and unpaid interest to the applicable redemption date) that would be due if the notes matured on the Par Call Date, discounted to such redemption date on a semi-annual basis (assuming a 360-day year consisting of twelve 30-day months) at the Treasury Rate plus basis points, plus, in the case of both clauses (i) and (ii) above, accrued and unpaid interest, if any, to such redemption date.

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On and after the Par Call Date, we may at our option redeem the notes, at any time in whole or from time to time in part, at a redemption price equal to 100% of the principal amount of the notes to be redeemed, plus accrued and unpaid interest, if any, to the applicable redemption date.

For additional information and the definition of Treasury Rate and other relevant terms, see Description of Notes Optional Redemption in this prospectus supplement.

Change of Control Triggering Event

If a Change of Control Triggering Event occurs with respect to the notes of any series, we must, subject to certain exceptions, offer to purchase the notes of such series at a price equal to 101% of the principal amount plus any accrued and unpaid interest, if any, to the applicable Change of Control Payment Date. The provisions of the notes of each series that may require us to offer to purchase notes of such series upon the occurrence of a Change of Control Triggering Event with respect to the notes of such series, and what constitutes a Change of Control Triggering Event with respect to the notes of any series, are subject to important exceptions and limitations and you should carefully review the information appearing under the headings Risk Factors and Description of Notes Change of Control Triggering Event in this prospectus supplement for additional information and for the definitions of Change of Control Triggering Event, Change of Control Payment Date and other relevant terms.

Use of Proceeds

We intend to use the net proceeds from this offering for general corporate purposes, which may include capital expenditures, share repurchases, repayment of indebtedness and possible acquisitions. See Use of Proceeds.

No Listing

The notes are not and are not expected to be listed on any securities exchange or included in any automated quotation system.

Further Issuances

We may, without notice to or consent of the holders or beneficial owners of the notes of any series, issue additional notes of any series having the same ranking, interest rate, maturity and other terms (except for the issue date, public offering price, sale price and, in some cases, the first interest payment date and the date from which interest shall begin to accrue) as the notes of that series offered hereby.

Denominations and Form

We will issue the notes of each series in the form of one or more fully registered global notes registered in the name of The Depository Trust Company or its nominee. Purchasers of notes of any series will not be entitled to receive physical certificates registered in their names except in limited circumstances described under Book-Entry Form and Transfer in the accompanying prospectus and, unless physical certificates registered in their names are issued, purchasers will not be considered holders of notes of any series under the indenture.

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governing the notes. The notes will be issued in minimum denominations of \$2,000 in principal amount and in integral multiples of \$1,000 in principal amount in excess thereof.

Governing Law

The notes and the related indenture will be governed by, and construed in accordance with, the laws of the State of New York.

Trustee, Registrar and Paying Agent

Wells Fargo Bank, National Association.

Risk Factors

An investment in the notes involves risks. You should carefully consider all of the information in this prospectus supplement, the accompanying prospectus, the documents incorporated and deemed to be incorporated by reference in the accompanying prospectus and any related free writing prospectus. In particular, you should evaluate the information set forth and referred to under **Risk Factors** and **Forward-Looking Statements** in this prospectus supplement and the accompanying prospectus and under **Risk Factors** in our most recent Annual Report on Form 10-K incorporated by reference in the accompanying prospectus before deciding whether to invest in the notes.

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RISK FACTORS

Investing in the notes involves a high degree of risk. Before you decide to invest in the notes, you should carefully consider the risk factors set forth below, as well as the risks and uncertainties described under the caption "Risk Factors" in the accompanying prospectus and in our most recent Annual Report on Form 10-K, which is incorporated by reference into the accompanying prospectus and may be obtained as described under "Where You Can Find More Information" therein, as well as the other information contained in this prospectus supplement, the accompanying prospectus, the documents incorporated and deemed to be incorporated by reference in the accompanying prospectus and any related free writing prospectus. Each of these risks could have a material adverse effect on our business, results of operations and financial condition and the occurrence of any of these risks might cause you to lose all or part of your investment in the notes. In addition, the information contained in this prospectus supplement, the accompanying prospectus and the documents incorporated and deemed to be incorporated by reference in the accompanying prospectus includes forward-looking statements that involve risks and uncertainties. We refer you to the

Forward-Looking Statements section of this prospectus supplement and the accompanying prospectus for information regarding some of the risks and uncertainties inherent in forward-looking statements. Our actual results could differ materially from those anticipated in or implied by the forward-looking statements as a result of many factors, including the risks described below, under the caption "Risk Factors" in the documents referred to above and elsewhere in this prospectus supplement, the accompanying prospectus and the documents incorporated and deemed to be incorporated by reference in the accompanying prospectus and any related free writing prospectus.

We have substantial indebtedness, and we may incur substantial additional indebtedness in the future, and we may not generate sufficient cash flow from our business to service our indebtedness, including the notes. Failure to comply with the terms of our indebtedness could result in the acceleration of our indebtedness, which could have an adverse effect on our cash flow and liquidity.

At December 31, 2015, eBay Inc. had approximately \$6.8 billion carrying value (including hedge accounting fair value adjustments) of senior unsecured notes outstanding; no indebtedness outstanding under its up to \$1.5 billion commercial paper program; no indebtedness outstanding under its \$2.0 billion senior unsecured revolving credit facility and \$2.0 billion of available borrowing capacity under its senior unsecured revolving credit facility (of which \$1.5 billion of available borrowing capacity was reserved to provide liquidity support, if required, for its commercial paper program); and no secured indebtedness outstanding. In addition, on February 29, 2016, we issued \$750 million aggregate principal amount of our 6.00% Notes due 2056. At December 31, 2015, eBay Inc.'s subsidiaries had no indebtedness outstanding.

In addition to the substantial amount of our outstanding indebtedness and the indebtedness to be incurred by issuing the notes in this offering, we may incur substantial additional indebtedness in the future, including under our commercial paper program and revolving credit facility or through public or private offerings of debt securities. The notes offered by this prospectus supplement and the accompanying prospectus and the indenture pursuant to which the notes will be issued do not place any limitation on the amount of unsecured debt that we or our subsidiaries may incur. Our outstanding indebtedness and any additional indebtedness we incur, including the notes, may have significant consequences, including, without limitation, any of the following:

requiring us to use a significant portion of our cash flow from operations and other available cash to service our indebtedness, thereby reducing the amount of cash available for other purposes, including capital expenditures and acquisitions;

our indebtedness and leverage may increase our vulnerability to downturns in our business, to competitive pressures and to adverse changes in general economic and industry conditions;

adverse changes in the ratings assigned to our debt securities by credit rating agencies will likely increase our borrowing costs;

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our ability to obtain additional financing for working capital, capital expenditures, acquisitions, share repurchases or other general corporate and other purposes may be limited; and

our flexibility in planning for, or reacting to, changes in our business and our industry may be limited.

Our ability to make payments of principal of and interest on our indebtedness, including the notes, depends upon our future performance, which will be subject to general economic conditions, industry cycles and financial, business and other factors affecting our consolidated results of operations and financial condition, many of which are beyond our control. If we are unable to generate sufficient cash flow from operations in the future to service our debt (including the notes), we may be required to, among other things:

repatriate funds to the United States at substantial tax cost;

seek additional financing in the debt or equity markets;

refinance or restructure all or a portion of our indebtedness (including the notes);

sell selected assets; or

reduce or delay planned capital or operating expenditures.

Such measures might not be sufficient to enable us to service our debt, including the notes. In addition, any such financing, refinancing or sale of assets might not be available on economically favorable terms or at all.

Our revolving credit facility and the indenture pursuant to which certain of our outstanding debt securities were issued (and pursuant to which the notes will be issued) contain, and any debt instruments we enter into in the future may contain, financial and other covenants that restrict or could restrict, among other things, our business and operations. If we fail to pay amounts due under, or breach any of the covenants in, a debt instrument, then the lenders would typically have the right to demand immediate repayment of all borrowings thereunder (subject in certain cases to grace or cure periods). Moreover, any such acceleration and required repayment of or default in respect of any of our indebtedness could, in turn, constitute an event of default under other debt instruments, including the notes, thereby resulting in the acceleration and required repayment of that other indebtedness. Any of these events could materially adversely affect our liquidity and financial condition.

The notes will be effectively subordinated to all indebtedness and other liabilities of eBay Inc. s subsidiaries, which may adversely affect your ability to receive payments on the notes.

The notes are obligations exclusively of eBay Inc. and not of any of its subsidiaries. eBay Inc. currently conducts a substantial majority of its operations through its subsidiaries and its subsidiaries have significant liabilities.

eBay Inc. s subsidiaries are separate and distinct legal entities from eBay Inc. eBay Inc. s subsidiaries will not guarantee the notes and are under no contractual obligation to pay any amounts due on the notes or to provide eBay Inc. with funds for that purpose, whether by dividends, distributions, loans or other payments. Any dividends, distributions, loans or other payments to eBay Inc. by its subsidiaries will also be contingent upon those subsidiaries' respective results of operations and financial condition and other business considerations and may be subject to statutory or contractual restrictions and taxes on distributions.

eBay Inc. s right to receive any assets of any of its subsidiaries upon the bankruptcy, insolvency, liquidation, reorganization, dissolution or other winding-up of that subsidiary (and, as a result, the right of the holders of the notes to participate in those assets) will be effectively subordinated to the claims of that

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subsidiary's creditors, including trade creditors, except to the extent that eBay Inc. may itself be a creditor of that subsidiary. In addition, even if eBay Inc. were a creditor of any of its subsidiaries, eBay Inc.'s rights as a creditor would be subordinate to any secured indebtedness, if any, of that subsidiary to the extent of the value of the collateral securing that indebtedness and any indebtedness of that subsidiary senior to the indebtedness held by eBay Inc.

As a result of the foregoing, the notes will be effectively subordinated in right of payment to all existing and future indebtedness and other liabilities of eBay Inc.'s subsidiaries, including any subsidiaries that eBay Inc. may in the future acquire or establish.

Your right to receive payments on the notes is effectively subordinated to the rights of secured creditors.

The notes will be effectively subordinated in right of payment to our secured indebtedness, if any, to the extent of the value of the collateral securing that indebtedness. As of December 31, 2015, neither eBay Inc. nor any of its subsidiaries had any secured indebtedness outstanding. However, the indenture governing the notes permits us to incur additional secured debt under specified circumstances. Our assets securing our secured indebtedness will be subject to the prior claims of our secured creditors. In the event of our bankruptcy, insolvency, liquidation, reorganization, dissolution or other winding-up, our assets that secure debt will be available to pay our other obligations, including the notes, only after all debt secured by those assets has been repaid in full. There can be no assurance that any such assets will remain following their application to pay such secured debt and, in the event that there are any remaining assets, holders of notes will participate in such assets ratably with all of our remaining unsecured creditors, including trade creditors. Moreover, if indebtedness of any of our subsidiaries is secured by assets owned by that subsidiary, then, even if any of those assets remain after repayment of that secured debt in full, the notes will be effectively subordinated to the claims of that subsidiary's unsecured creditors to those assets, except to the extent that eBay Inc. may itself be a creditor of that subsidiary, as described in the preceding risk factor.

The negative covenants in the indenture that governs the notes provide limited protection to the holders of the notes and may not protect your investment.

The indenture governing the notes contains covenants limiting the ability of eBay Inc. and its Significant Subsidiaries (as defined in the accompanying prospectus under "Description of Debt Securities—Covenants—Certain Definitions") to incur indebtedness for borrowed money secured by certain liens and to enter into certain sale and lease-back transactions, and limiting eBay Inc.'s ability, but not the ability of its subsidiaries, to consolidate with or merge into, or convey, transfer or lease all or substantially all of its properties and assets to, any person unless certain conditions specified in the indenture are satisfied. The covenants contain significant exceptions and limitations and therefore may not protect your investment. For example, the covenants do not prohibit us or our subsidiaries from incurring additional unsecured debt. See "Description of Debt Securities—Covenants" in the accompanying prospectus.

Furthermore, the indenture for the notes does not prohibit us from engaging in many types of transactions, including certain acquisitions, refinancings, recapitalizations or other similar transactions that could increase the total amount of our indebtedness, adversely affect our capital structure or credit ratings or otherwise adversely affect the market value of the notes. In addition, the indenture for the notes does not:

require us to maintain any financial ratios or specific levels of net worth, revenues, income, cash flow or liquidity and, accordingly, does not protect holders of the notes in the event that we experience significant adverse changes in our financial condition or results of operations;

limit our subsidiaries' ability to incur indebtedness or other liabilities, which would effectively rank senior in right of payment to the notes;

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limit our ability to incur substantial secured indebtedness that would effectively rank senior in right of payment to the notes to the extent of the value of the assets securing that indebtedness;

limit our ability to incur unsecured indebtedness;

restrict our subsidiaries' ability to issue securities or incur indebtedness and other liabilities that are senior in right of payment to our equity interests in our subsidiaries;

restrict our ability to repay other indebtedness; or

restrict our ability to make investments or to repurchase, or pay dividends or make other payments in respect of, our common stock or other securities ranking junior to the notes.

A downgrade in our credit ratings could materially adversely affect our business and the market value of the notes.

Some of our outstanding indebtedness has received, and we expect that the notes offered hereby will receive, credit ratings from certain rating agencies. Such ratings are limited in scope and do not purport to address all risks relating to an investment in those debt securities (including the notes), but rather reflect only the view of each rating agency at the time the rating was issued. The credit ratings assigned to our debt securities (including the notes) could change based upon, among other things, our results of operations and financial condition. These ratings are subject to ongoing evaluation by credit rating agencies and there can be no assurance that such credit ratings will not be lowered, suspended or withdrawn entirely by the rating agencies or placed on a so-called "watch list" for a possible downgrade or assigned a negative ratings outlook if, in any rating agency's judgment, circumstances so warrant. Moreover, these credit ratings are not recommendations to buy, sell or hold any of our debt securities (including the notes). Actual or anticipated changes or downgrades in our credit ratings, including any announcement that our ratings are under review for a downgrade or have been assigned a negative outlook, would likely adversely affect any trading market for, and the market value of, the notes offered hereby, and also increase our borrowing costs, which could in turn have a material adverse effect on our financial condition, results of operations and cash flows and could harm our business.

Our credit ratings were downgraded as a result of the Distribution of 100% of the outstanding common stock of PayPal Holdings, Inc. to our stockholders as described above under "Prospectus Supplement Summary - eBay." As of January 1, 2014, our long-term debt and short-term funding were rated investment grade by Standard and Poor's Financial Services, LLC (long-term rated A, short-term rated A-1, with a stable outlook), Moody's Investor Service (long-term rated A2, short-term rated P-1, with a stable outlook), and Fitch Ratings, Inc. (long-term rated A, short-term rated F-1, with a stable outlook). All of these credit rating agencies lowered their ratings in connection with the Distribution, which occurred on July 17, 2015. Since July 20, 2015, our debt has been rated investment grade by Standard and Poor's Financial Services, LLC (long-term rated BBB+, short-term rated A-2, with a stable outlook), Moody's Investor Service (long-term rated Baa1, short-term rated P-2, with a stable outlook), and Fitch Ratings, Inc. (long-term rated BBB, short-term rated F-2, with a stable outlook). We disclose these ratings to enhance the understanding of our sources of liquidity and the effects of these ratings on our costs of funds. Our borrowing costs depend, in part, on our credit ratings and any further actions taken by these credit rating agencies to lower our credit ratings, as described above, will likely increase our borrowing costs.

There may not be an active trading market for the notes.

The notes are new issues of securities with no established trading market. We do not intend to apply for listing of the notes on any securities exchange or any automated quotation system. Accordingly, there can be no assurance that a trading market for the notes will ever develop or will be maintained. Further, there can be no assurance as to the liquidity of any market that may develop for the notes, whether you will be able to sell the notes or the prices at which you may be able to sell the notes. Future trading prices of the notes will depend on

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many factors, including, but not limited to, prevailing interest rates and economic conditions, our financial condition and results of operations, our prospects and prospects for companies in our industry generally, the then-current credit ratings assigned to our securities (including, if applicable, the notes) and the market for similar securities.

We may not be able to repurchase all of the notes of any series upon a Change of Control Triggering Event.

As described under Description of Notes Change of Control Triggering Event, if a Change of Control Triggering Event (as defined) occurs with respect to the notes of any series, then, unless we have exercised our right to redeem all of the outstanding notes of such series and subject to certain other exceptions, we must offer to purchase the notes of such series. If we were so required to repurchase the notes of one or more series, we cannot assure you that we would have sufficient financial resources available, or that we would be able to arrange sufficient financing, to satisfy our obligation to repurchase the notes of such series. Our failure to repurchase the notes of any series when due would constitute a default with respect to the notes of such series under the indenture governing the notes and, under cross-default provisions, could also result in defaults or events of default with respect to other indebtedness of ours that is currently outstanding or that we may incur in the future and allow the holders of any such other indebtedness to demand immediate repayment of such indebtedness. Likewise, events similar to a Change of Control (as defined) or Change of Control Triggering Event constitute or may constitute defaults or events of default under other existing or future indebtedness of ours and the occurrence of these events may permit the holders of such indebtedness to demand immediate repayment of such indebtedness or require that we offer to repurchase or repay such indebtedness. In particular, our \$2.0 billion revolving credit agreement provides that a change of control (as defined therein) is an event of default permitting the lenders to demand immediate repayment of all borrowings outstanding thereunder. Likewise, the \$750 million aggregate principal amount of 6.00% Notes due 2056 that we issued on February 29, 2016 provide that, if a change of control triggering event (as defined therein, which definition is substantially identical to the definition of Change of Control Triggering Event that is applicable to the notes offered hereby and that appears below under the caption Description of Notes Change of Control Triggering Event) occurs with respect to the 6.00% Notes due 2056, we must, subject to certain exceptions, offer or repurchase the 6.00% Notes due 2056 at a price equal to 101% of the principal amount plus any accrued and unpaid interest, all on terms and subject to conditions that are substantially identical to the terms and conditions applicable to the notes offered hereby as described under

Description of Notes Change of Control Triggering Event. We cannot assure you that we would have sufficient financial resources available, or that we would be able to arrange sufficient financing, to repay or repurchase any such indebtedness under those circumstances. Accordingly, the occurrence of a Change of Control Triggering Event with respect to one or more series of notes, or the occurrence of a change of control (as defined) under our \$2.0 billion revolving credit agreement, a change of control triggering event (as defined) with respect to our \$750 million aggregate principal amount of 6.00% Notes due 2056 or a change of control, change of control triggering event or similar event under any other debt instruments of ours, could have a material adverse effect on our liquidity and financial condition and on the market value of the notes.

The Change of Control Triggering Event provisions of the notes of each series may not provide protection in the event of certain transactions or in certain other circumstances.

The provisions of the notes of each series which may require us to make an offer to repurchase the notes of such series upon the occurrence of a Change of Control Triggering Event with respect to that series as described under Description of Notes Change of Control Triggering Event may not provide holders of notes of such series protection in the event of highly leveraged transactions, reorganizations, restructurings, mergers or similar transactions involving us that might adversely affect holders of notes. In particular, any such transaction may not give rise to a Change of Control Triggering Event with respect to the notes of any series, in which case we would not be required to make an offer to repurchase the notes of that series. Except as described under Description of Notes Change of Control Triggering Event, neither the notes of any series nor the indenture contain provisions that permit holders of notes of any series to require us to repurchase or repay the notes of such

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series in the event of a reorganization, restructuring, merger or similar transaction involving us or any of our subsidiaries.

In addition, clause (b) of the definition of Change of Control appearing below under the caption Description of Notes Change of Control Triggering Event includes a phrase relating to the direct or indirect sale, transfer, conveyance or other disposition (other than by way of merger or consolidation) of all or substantially all of the properties and assets of us and our subsidiaries, taken as a whole. Although there is a limited body of case law interpreting the phrase substantially all, there is no precise established definition of the phrase under applicable law. Accordingly, our obligation to make an offer to repurchase the notes of any series as a result of a sale, transfer, conveyance or other disposition of less than all of the properties and assets of us and our subsidiaries, taken as a whole, may be uncertain.

Moreover, under clause (c) of the definition of Change of Control appearing below under Description of Notes Change of Control Triggering Event, a Change of Control will occur when a majority of the members of our board of directors are not Continuing Directors (as defined). In a decision in connection with a proxy contest, a Delaware court held that the occurrence of a change of control under a similar indenture provision may nevertheless be avoided if the existing directors were to approve the slate of new director nominees (who would constitute a majority of the new board of directors) as continuing directors solely for purposes of avoiding the triggering of such change of control provision in such indenture, provided the incumbent directors give their approval in the good faith exercise of their fiduciary duties. Therefore, in certain circumstances involving a significant change in the composition of our board of directors, including in connection with a proxy contest where our board of directors does not endorse a dissident slate of directors but approves them as Continuing Directors for purposes of avoiding the occurrence of a Change of Control Triggering Event, holders of the notes of any series may not be entitled to require us to make a Change of Control Offer with respect to the notes of such series.

More generally, courts interpreting change of control provisions under New York law (which is the governing law of the notes and the indenture) have not provided a clear and consistent meaning of such change of control provisions, and no assurance can be given as to how or if a court would enforce the Change of Control Triggering Event provisions applicable to the notes or how those provisions would be impacted were we to become a debtor in a bankruptcy case. In addition, a court case in Delaware has questioned whether a change of control provision contained in an indenture could be unenforceable on public policy grounds.

An increase in market interest rates could result in a decrease in the market value of the notes.

In general, as market interest rates rise, debt securities bearing interest at fixed rates of interest generally decline in value. Consequently, if you purchase notes in this offering and market interest rates increase, the market values of those notes may decline. We cannot predict the future level of market interest rates.

Redemption may adversely affect your return on the notes.

We have the right to redeem some or all of the notes of each series, at any time in whole or from time to time in part prior to their maturity, as described under Description of Notes Optional Redemption. We may redeem notes at times when market interest rates may be lower than market interest rates at the time the notes offered by this prospectus supplement were originally issued. Accordingly, if we redeem notes of any series, you may not be able to reinvest the redemption proceeds in a comparable security at an effective interest rate as high as that on the notes of such series.

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FORWARD-LOOKING STATEMENTS

This prospectus supplement, the accompanying prospectus and the documents incorporated and deemed to be incorporated by reference therein contain, and any related free writing prospectus may contain, forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended (the Securities Act), and Section 21E of the Securities Exchange Act of 1934, as amended (the Exchange Act). All statements, other than statements of historical fact, included or incorporated herein and therein, including statements that involve expectations, plans or intentions (such as those relating to future business, future results of operations, future financial condition and other future financial metrics of us or any guidance regarding any of the foregoing, future cost savings, new or planned features or services or management strategies), are forward-looking statements. In some cases, you can identify forward-looking statements by terms such as may, will, should, could, would, expect, plan, anticipate, intend, believe, estimate, project, predict, potential and other similar expressions. We have based these statements on our expectations and projections about future conditions, events or results at the respective times these statements were made. These forward-looking statements involve risks, uncertainties and other factors that could cause our actual results to differ materially from those expressed or implied in the forward-looking statements. You should pay particular attention to the risk factors and cautionary statements referenced. Such risks and uncertainties include, among others, those discussed in the sections entitled Risk Factors in this prospectus supplement, in the accompanying prospectus and in our most recent Annual Report on Form 10-K, which is incorporated by reference in the accompanying prospectus and may be obtained as described under Where You Can Find More Information in the accompanying prospectus. Other risks, uncertainties and factors that might cause or contribute to such differences include, but are not limited to, those discussed elsewhere in our most recent Annual Report on Form 10-K and our subsequent Current Reports on Form 8-K, if any, incorporated and deemed to be incorporated by reference in the accompanying prospectus.

Given these risks, uncertainties and other factors, many of which are beyond our control, you should not place undue reliance on these forward-looking statements, which speak only as of the respective dates these statements were made. We undertake no obligation to publicly update or revise any forward-looking statements to reflect actual results or events or developments after the respective dates on which these statements were made, whether as the result of new information, future events or other factors that affect the subject of these statements.

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USE OF PROCEEDS

We estimate that the net proceeds we will receive from this offering will be approximately \$ _____, after deducting underwriting discounts and estimated expenses of the offering payable by us. We intend to use the net proceeds from this offering for general corporate purposes, which may include capital expenditures, share repurchases, repayment of indebtedness and possible acquisitions. Pending application of the net proceeds as described above, we may temporarily invest the net proceeds in money market funds, bank accounts, debt securities or deposits.

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The following table sets forth our ratio of earnings to fixed charges for each of the periods indicated below. For purposes of determining the ratio of earnings to fixed charges, earnings consist of income from continuing operations before income taxes, noncontrolling interest and equity in gains or losses of equity method investees plus fixed charges. Fixed charges consist of interest expense and our estimate of an appropriate portion of rentals representative of the interest factor. The estimate of interest within rental expense is estimated to be one-third of rental expense. The ratios set forth in the following table give effect to the classification of PayPal and Enterprise as discontinued operations as described in Note 4 Discontinued Operations in our Annual Report on Form 10-K for the year ended December 31, 2015, which is incorporated by reference in the accompanying prospectus and may be obtained as described under Where You Can Find More Information in the accompanying prospectus.

	Year Ended December 31,				
	2011	2012	2013	2014	2015
Ratio of earnings to fixed charges	66.4x	28.3x	21.8x	18.2x	15.1x

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DESCRIPTION OF NOTES