

EBay profit up but shares hit by soft forecast

April 21 2010, By RACHEL METZ , AP Technology Writer

(AP) -- EBay Inc. said Wednesday its first-quarter profit rose 11 percent as consumers spent more on its main website, but a disappointing forecast for the current quarter pushed the company's shares down sharply in after-hours trading.

EBay said it earned \$397.7 million, or 30 cents per share in the [first quarter](#), compared with \$357.1 million, or 28 cents per share in the same period of 2009.

Excluding one-time items, the company earned 42 cents per share. Analysts polled by Thomson Reuters expected 41 cents.

[Revenue](#) climbed 9 percent to \$2.2 billion, matching [analyst estimates](#).

That reflected an improvement in eBay's biggest segment, which includes [eBay.com](#), Shopping.com and other e-commerce sites. The company has been sprucing up its main site in hopes of attracting and keeping more shoppers. That has included rejigging its search and feedback system and starting a buyer protection program in the U.S. and U.K.

These changes helped marketplace revenue rise 13 percent to \$1.39 billion. Sales of fixed-price "Buy it Now" items and the acquisition of South Korea's Gmarket contributed to the jump in revenue, eBay said.

EBay said the number of active registered users on its site rose just 1 percent from last year to 89.5 million. But its gross merchandise volume,

which counts the value of all the items sold on eBay, excluding vehicles, rose 24 percent to \$13.4 billion.

Revenue from eBay's payments business, which includes [PayPal](#) and a short-term credit service called Bill Me Later, jumped 26 percent to \$809.3 million. Total payment volume shot up 35 percent to \$21.3 billion.

This business has grown rapidly as more consumers and merchants use it to send money online, on eBay and on other sites. EBay CEO John Donahoe believes that in the next few years this business' revenue will surpass that of eBay's marketplace.

For the current quarter, eBay forecast an adjusted profit of 37 cents to 39 cents per share on \$2.15 billion to \$2.20 billion in revenue. Analysts had been expecting 40 cents per share on revenue of \$2.21 billion.

EBay shares fell \$1.90 in after-hours trading to \$24.39. They finished regular trading at \$26.29, down 11 cents.

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