

EBay posts higher 1Q net income and revenue

April 18 2012, By BARBARA ORTUTAY , AP Technology Writer

(AP) -- EBay's first-quarter net income grew 20 percent thanks to higher revenue from its PayPal business and brisk sales at its e-commerce websites. The results beat Wall Street's expectations and investors sent the company's stock higher in after-hours trading.

EBay Inc. said Wednesday that it earned \$570 million, or 44 cents per share, in the January-March period. That's up from \$476 million, or 36 cents per share, a year ago.

Adjusted earnings of 55 cents per share beat Wall Street's estimates by 3 cents.

Revenue grew 29 percent to \$3.28 billion from \$2.55 billion. That's above the \$3.15 billion that analysts polled by FactSet had expected.

EBay's CEO, John Donahoe, called the quarter an "excellent start" to the year, with all of the company's businesses performing well.

"We see enormous opportunity for PayPal, online, on mobile devices, and increasingly in the offline environment as well," he said in a conference call with analysts.

The e-commerce and online payments company has been expanding into brick-and-mortar retailers to grow its business. It recently launched a service that lets people use their PayPal accounts to pay for merchandise in Home Depot stores, a program that will expand to other large retailers.

Last month, it unveiled a mobile payments service targeting merchants who don't already have full-fledged payment systems in place. Called PayPal Here, the service lets customers pay using credit cards, PayPal accounts or, in the U.S., personal checks using merchants' mobile phones.

Revenue at PayPal grew 32 percent from last year to \$1.31 billion, while the number of active accounts increased 12 percent to 109.8 million.

The marketplaces business, which includes eBay's namesake website, grew its revenue by 11 percent to \$1.73 billion. Donahoe said the business has "turned a corner, shifting from defense to offense."

"Our efforts to make the shopping experience on eBay faster and easier are paying off," he said.

Fashion, accessories and event tickets from StubHub were among the strongest-performing categories on eBay's online commerce sites.

For the current quarter, eBay is forecasting adjusted earnings of 53 cents to 55 cents per share and revenue of \$3.25 billion to \$3.35 billion. Analysts are expecting adjusted earnings of 55 cents and slightly higher revenue of \$3.42 billion.

San Jose, Calif.-based eBay's stock climbed \$1.87, or 5.2 percent, to \$37.74 in after-hours trading. The stock had closed down 21 cents at \$35.87.

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