

eBay-PayPal breakup set for July

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US online giant eBay said Friday its board approved the planned spinoff of its PayPal online payments unit, which will trade as an independent company July 20.

The plan calls for the distribution of PayPal stock to eBay shareholders on July 17, with the financial unit starting to trade under the symbol

PYPL on July 20.

"eBay and PayPal are two great, special businesses," said John Donahoe, president and chief executive of eBay.

"As separate, independent companies, eBay, led by Devin Wenig, and PayPal, led by Dan Schulman, will each have a sharper focus and greater flexibility to pursue future success in their respective global commerce and [payments](#) markets."

The plan, announced last year, came after months of pressure from activist investor Carl Icahn, who had assailed eBay for poor management and claimed that keeping eBay tied with PayPal depressed the value of both units.

eBay acquired PayPal in 2002 for roughly \$1.5 billion in shares, integrating the payment service that had already been widely used for online auctions.

PayPal over the years has expanded beyond a simple payment mechanism for eBay auctions. But Icahn and others have argued that PayPal need to change to compete better in the fast-moving online payments segment.

In 2014, PayPal processed \$235 billion in payments and handled one billion mobile transactions. It had revenues last year of \$8 billion and worked with 10 million merchants worldwide.

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