Our evolving entertainment business

2014
- Alibaba Pictures Acquired in Jun/14

2015
- UC Web Acquired in Jun/14
- Health + Happiness strategy introduced by Jack Ma Oct/14
- Alibaba Music Launched in Jul/15

2016
- Youku Tudou Acquired in Apr/16
- Alibaba Digital Media & Entertainment Group Established in Oct/16

2017
- Damai Acquired in Mar/17

2018
- Health + Happiness strategy introduced by Jack Ma

2014-2017
- Alibaba Pictures
- Alibaba Music
- UC Web
Light up people’s lives with joy
Three Cornerstones of our Business Success
Live @ Alibaba
Bringing new users and new datasets of Chinese consumers to the Alibaba ecosystem

Exclusive broadcast of 2016 Singles Day on Youku

Create a fun shopping experience while tapping into Youku’s vast reach to drive sales
Cross-platform membership referral

• Trial Youku membership with Tmall promotion
• Cash rebate on Tmall with Youku subscription
Youku’s original content created for Tmall
Exclusive Youku content sponsored by Tmall and Tmall merchants
Our media matrix enables a multi-faceted understanding of consumers.
UC has successfully transitioned from mobile browser to data-driven news feed media. UC Headlines has over 200 million MAU globally.

No. 1 in India and Indonesia

Top newsfeed media in China

Data source: Alibaba Group, as of April 2017. Ranking data derived from iOS Store and Google Play Store rankings.
UC has gained a strong foothold in fast-growing markets

No. 1 mobile browser
Top ranking app

India  Indonesia
Our original drama series are enormously popular

Data source: Alibaba Group and Luth Research on Netflix viewership.

3 million viewers per episode

20 million viewers per episode

3521x765
A comprehensive media group that distributes creative properties across platforms to maximize value.
Multi-channel distribution and value creation

Youku
Online distribution & licensing

Alibaba Pictures**
Theatrical movie

Yulebao**
Crowd-funding

Tao Piao Piao**
Movie distribution & ticketing

Taobao & Tmall
Merchandizing

RMB300M+
GMV

Data source: Alibaba Group, end of March to May 2017. **Alibaba Pictures, Tao Piao Piao and Yulebao are our affiliated entities.
Alibaba Pictures*: building the bridge between the US and the Chinese film industries

An Amblin Film

US$64M
US box office

US$88M
China box office

Data source: Boxofficemojo (a subsidiary of IMDb) for US box office; Entgroup Inc for China box office. *Alibaba Pictures is an affiliated entity.
Digital platforms + Data technology
Create new space for growth and reengineer the value chain
Top 2 movie ticketing service

- 80% of all movie tickets are sold online in China, versus ~30% in the US
- Transition from ticketing service to media
- Data-driven marketing and distribution

Data source: Alibaba DME management estimates. China market data is from industry reports published by the National Press and Publication Bureau of Radio and Television. US market data is from industry experts and Alibaba DME management estimates. *Tao Piao Piao is an affiliated entity.
Damai is well-positioned to capture the untapped potential for live performance in China.

Tickets for over 4,000 events and 900 venues sold per day.

Estimated 2016 live performance market: $7B in China, $29B in the US.

Data source: Alibaba Group, as of May 2017. Chinese market data is from the Performing Arts Association of China. US market data is a combined statistic from PwC Global Media & Entertainment Outlook, The Broadway League, and PwC Sports Outlook.
Commercialization

- Uni-marketing
- Paid Subscription
- Merchandizing
Media matrix = Broader reach to consumers
Data matrix = More diversified and precise targeting
Uni Identity = More effective closed-loop marketing
Youku has seen rapid growth in paid subscriptions over the past quarters.
Generating multiple revenue streams through cross-platform monetization

**TV Dramas**
- Cable distribution
- Online distribution

**Online distribution**
- Movie remake
- Online merchandising
- Musical/Play remake

**Movies**
- Box office
- Aftermarket

**Box office**
- Traditional
- Alibaba

**Online distribution**
- Traditional
- Alibaba

*Alibaba Pictures and Tao Piao Piao are our affiliated entities.*

Commercialization
From Ecommerce to Entertainment

- Our entertainment business complements e-commerce business with new consumers and new datasets
- Our digital solutions and data technology are the new infrastructure for the industry
- Maximize value of the creative properties by leveraging multiple media assets across Alibaba Group
THANKS