



## Taobao.com Launches B2C Services

**With market share of more than 67 percent of China's online shoppers, Taobao.com opens doors to large manufacturers and retailers**

HANGZHOU, China, 10 May 2006 - Alibaba Group announced today the launch of business-to-consumer (B2C) services on its Taobao.com online consumer marketplace. Already China's largest online consumer-to-consumer (C2C) marketplace, Taobao.com is expanding its e-commerce model to include products and services provided by major manufacturers and retailers.

"While American B2C models have failed to succeed in China, Taobao's model will make B2C a reality in China," said Toto Sun, Taobao.com's General Manager. "Because we are simply connecting large sellers to consumers, rather than taking possession of the goods and serving as a middleman, we are offering a solution that will benefit both manufacturers and consumers in China."

Already, Taobao.com has signed up manufacturers and retailers including Motorola, Nokia, Haier, Aigo, Lining, Adidas, Giordano, and UT Starcom. In the coming months, Taobao will aggressively expand its B2C services to include additional leading manufacturers and brands.

"Taobao's growth has been based on four pillars - trust and safety, the AliPay payment system, search and an active marketplace," Sun said. "With Taobao's trusted e-commerce community now leading the market, the site is the ideal channel for manufacturers and retailers to reach millions of consumers and to expand as online shopping becomes a part of everyday life in China."

More than 10 million small- and medium-sized businesses use other Alibaba Group online marketplaces for B2B marketing and sales, and Taobao.com expects to see a large number of Alibaba.com members joining its new program along with leading international companies.

Taobao.com's announcement comes after the China Internet Network Information Center announced this week the results of a new e-commerce study, which found Taobao holding 67.3 percent market share in Beijing, Shanghai and Guangzhou, versus eBay China's 29.1 percent. The recent data indicate significant market share growth from the fourth quarter of 2005, when Taobao.com was found to hold 57.7 percent market share by independent research firm Analysys International. Another recent study, by the Chinese Academy of Social Sciences, found Taobao.com to be the clear market leader in China, with 72.2 percent market share.

Koubei.com was founded in Hangzhou in June 2004 and is one of China's largest online classified listing companies. It offers local classifieds and discussion forums for multiple cities in China allowing people to find and share information on apartment rentals, restaurants, entertainment, employment, goods and services, and just about anything else. Koubei.com has over two million registered users.

Taobao.com now has more than 26 million product listings, nearly 20 million registered users, and over 100 million page views per day. In 2005, Taobao's transaction volume, or Gross Merchandise Volume (GMV), reached US\$1billion, up 700 percent from 2004. AliPay, China's leading online payment solution, recently reached 150,000 transactions per day.