



## **Cainiao and United States Postal Service Sign Memorandum of Understanding to Increase Cross-Border Logistics Services**

**Hangzhou, China, September 16, 2015** – Cainiao, the logistics affiliate of Alibaba Group Holding Limited (NYSE: BABA), and the United States Postal Service (USPS) today signed a Memorandum of Understanding (MoU) to develop new international shipping solutions and enhance the logistics-service experience for both sellers and buyers involved in cross-border e-commerce. Through the MOU, Cainiao and the USPS agreed to work together to speed delivery of merchandise sold through AliExpress to consumers in the United States. The USPS will also collaborate with Cainiao to help expand the latter's delivery networks worldwide, especially in South America.

In cross-border e-commerce, online shoppers purchase goods directly from overseas merchants and manufacturers who ship their orders directly to consumers' homes. The global B2C cross-border e-commerce market is expected to grow from \$230 billion in 2014 to \$1 trillion in 2020, according to a report from global consulting firm Accenture and AliResearch, Alibaba Group's research arm. The collaboration between Cainiao and the USPS seeks to capitalize on growing opportunities in cross-border e-commerce between China and America by making it easier and more efficient for Chinese companies to sell and deliver goods directly to U.S. consumers.

"We are excited to work with USPS to deliver innovative shipping solutions that will benefit our U.S. consumers. Today's announcement is a key part of Alibaba's globalization strategy and our vision to enable consumers around the world to enjoy the convenience and benefits of e-commerce," said Wan Lin, Vice President of Cainiao.

"As cross-border e-commerce grows rapidly, it is critical that we evolve shipping services to the next level, with shorter delivery times and easier methods to track a shipment. The collaboration between Cainiao and USPS will enable us to create new solutions and ultimately improve the overall customer experience," added Wan Lin.

USPS is the leading postal and shipping service provider in the United States. The country's national mail carrier, the USPS has more than 600,000 employees and delivered more than 155 billion pieces of mail in 2014, generating nearly \$68 billion in revenue.

Cainiao and the USPS are aiming to develop an integrated e-commerce solution that provides full access to the U.S. domestic market and neighboring countries, the MOU states. The solution will be designed to reflect the demands of customers and the capabilities of shipping partners to improve the way goods purchased from China are processed, handled, and delivered in the United States and potentially South American markets.

Both companies have expressed an interest in exploring the feasibility of integrating USPS technology into the Cainiao logistics information platform, as well as other Alibaba's e-commerce platforms. Through the collaboration, Cainiao and USPS aim to innovate special services to meet market demand, supporting efforts by China-based merchants to expand into overseas markets, at the same time delivering an improved shopping experience to U.S. consumers.

The collaboration is a key component of Alibaba's globalization strategy and ambition to provide high quality e-commerce services to consumers across the globe. Cainiao will leverage the unique geographical advantages of USPS's services as well as its own intelligent network in order to expand its footprint in South America and beyond. To foster the development of cross-border e-commerce by reducing delivery times for international parcel shipments, Alibaba Group and its affiliates are working with other national mail carriers including Singapore Post and Spanish Post.

### **About Cainiao**

Cainiao (formerly known as China Smart Logistics), the logistics affiliate of Alibaba Group Holding Limited, is dedicated to meeting the current and future logistics demands of China's online and mobile commerce sector. It operates a logistics information platform which provides real-time access to information for both buyers and sellers, as well as information that allows delivery service providers to improve the efficiency and effectiveness of their services. Cainiao is an affiliate of Alibaba Group.

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