



Alibaba.com Announces Major Initiatives for Buyers and Suppliers

Quality Supplier Program to boost buyers' confidence through verification, intellectual property protection and anti-fraud measures

Launches new product to accelerate customer growth

Hangzhou, November 3, 2008 – Alibaba.com (HKSE: 1688), the world's leading business-to-business e-commerce company, today announced two major initiatives to bring more benefits to buyers and suppliers in its global import/export marketplace (www.alibaba.com).

The new initiatives include the Quality Supplier Program, which will deliver an improved sourcing experience to international buyers through enhanced quality and reliability of suppliers in the Alibaba.com marketplace; and the Gold Supplier Starter Pack, a new entry-level product that will extend Alibaba.com's premium storefront service to a broader group of export suppliers in core customer markets in mainland China, as well as new markets such as Hong Kong and Taiwan.

"While the global financial crisis will bring challenges to the real economy, we view the current environment as the perfect opportunity to demonstrate our commitment to quality and accessible service for our buyer and supplier community," said David Wei, chief executive officer of Alibaba.com. "All of the initiatives we announced today are aimed at expanding our market leadership and accelerating user growth and customer acquisition. Our Quality Supplier Program will allow buyers to trade with greater confidence while the Gold Supplier Starter Pack will appeal to a wide range of potential new customers."

Quality Supplier Program

When suppliers apply for a paid membership service on Alibaba.com, they must pass an authentication and verification process conducted by an independent third-party agency. Alibaba.com will team up with VeriSign as an additional authentication and verification partner. VeriSign, the trusted provider of Internet infrastructure services for the networked world, will provide authentication and verification services to verify the identity of suppliers displayed on the Alibaba.com web site. The presence of a VeriSign seal on the supplier's listings will indicate to Alibaba.com site visitors that this information has been verified by VeriSign.

Alibaba.com is also enforcing stricter policies towards the protection of intellectual property and ensuring a safer online trading environment by banning members that have a history of violating the rules and policies of its marketplace. For example, Alibaba.com's current policy is to respond expeditiously to written requests by intellectual property owners to take down items that the owners believe have infringed their rights. Under the Quality Supplier Program, Alibaba.com has established clear internal standards and procedures for de-listing products and terminating the accounts of non-complying members based on substantiated complaints.

New Entry-Level Product: Gold Supplier Starter Pack

Alibaba.com's new entry-level product – the Gold Supplier Starter Pack – is designed for exporters that plan to shift their business online to achieve efficiencies in the current economic environment. The product, priced at RMB19,800 (US\$2,900¹) per year, offers basic storefront display and unlimited product listings. Companies must obtain third-party authentication and verification under the Quality Supplier Program before they can purchase the Gold Supplier Starter Pack.

¹ Using exchange rate of 1USD = 6.837RMB

Alibaba.com's existing Gold Supplier membership, which remains priced at RMB50,000 (US\$7,300¹), will be upgraded to incorporate value-added services such as additional Virtual Showrooms™ that will enable suppliers to substantially increase the visibility of their key products. In addition, the improved service offering will include corporate email accounts, a virtual factory tour as well as storefront management tools such as Traffic Analyzer™ and Buyer GPS™ to help suppliers maximize the effectiveness of their online marketing programs.

Commenting on the potential for entry-level customers to upgrade to higher price points, Wei said: "With a range of value-added services, customers of our entry-level product can realize further benefits by purchasing additional services such as Virtual Showroom™ and priority ranking based on keywords as they expand their presence on the Internet."

According to Alexa.com, an industry authority which tracks web traffic globally, Alibaba.com is the most-visited web site in two business categories: "International Business and Trade" and "E-commerce". Despite the current economic challenges, the number of buyer inquiries sent to suppliers on Alibaba.com has been consistently increasing compared to prior periods, as more small businesses turn to cost-effective online channels to do business.
