



Alibaba.com Strengthens Position as Go-To Supply Source for U.S. E-commerce Entrepreneurs with Acquisition of Auctiva

***AliExpress integration aims to significantly increase profit margins for eBay merchants
Marks second U.S. acquisition in two months***

Hong Kong, August 25, 2010 – Alibaba.com (HKSE: 1688) (1688.HK), the world's leading e-commerce company for small business, has entered into an agreement to acquire Auctiva, the leading third-party developer of tools for eBay (NASDAQ: EBAY) sellers. With more than 170,000 active users, Auctiva provides a variety of listing, marketing and management tools as well as image hosting and online storefronts that make it easy for small businesses to sell successfully via e-commerce on sites like eBay.

The acquisition of Auctiva, as well as Alibaba.com's purchase of Vendio in June, combined with Alibaba.com's strength in sourcing, will create a significant source of tools and resources for U.S. small businesses looking to leverage e-commerce. The combination of both the Auctiva and Vendio acquisitions brings more than 250,000 new customers to the Alibaba.com family of products, and significantly expands the size of Alibaba.com's U.S. operations.

Through its recent acquisitions, Alibaba.com is building the world's first global e-commerce supply chain. This end-to-end network connecting manufacturers and wholesalers with e-tailers and consumers will allow small businesses to easily source from suppliers all over the world, then conveniently manage and sell those products through popular online channels like eBay, Amazon (NASDAQ: AMZN), their own online storefronts and more.

"Time and money are the two most important things to me as a small business owner," said Don Pinard, owner of www.peggsbargains.net, an Auctiva and AliExpress customer. "I spend a lot of time online looking for products I can sell. I used to use liquidation sites, but AliExpress is much better, and more reliable. If I can trim the cost of purchasing items by just 7% that will cover all store fees and shipping costs, which will really increase my profit."

The online merchants who use both Auctiva and Vendio will have direct access to almost 1.5 million supplier storefronts on Alibaba.com's sourcing platform and AliExpress (www.aliexpress.com), a wholesale transaction platform operated by Alibaba.com. This new connection from supplier to online merchant represents significant potential cost savings to customers. By sourcing their products directly from the manufacturer, reducing travel and taking advantage of global markets, Alibaba.com hopes to help small merchants increase their profit margin in the long term. For example, a jewelry retailer can sell a silver bracelet with black agate stones for US\$12 on eBay and make a profit of US\$7.09 if he/she originally purchased their inventory on AliExpress for US\$4.91 per piece. These savings combined with the additional efficiencies of sourcing online will represent significant savings for the average online merchant.

With the acquisition, Auctiva's platform will be integrated with AliExpress, allowing Auctiva users to connect to AliExpress via a tab on the Auctiva Web-based platform. This will enable customers to easily search for suppliers, acquire merchandise and list those products on eBay through their Auctiva accounts. Exclusive promotions and special deals on AliExpress products will be available to Auctiva users.

"Small online retailers are just starting to see how they can use international sourcing to their advantage, and we have seen the significant opportunity through customer reaction to our initial integration with Vendio," said David Wei, chief executive officer of Alibaba.com. "Many small business owners never even thought that they would be able to source their products from

overseas, as they didn't have the staff or technological resources to do so. We are bringing both sides of the equation together to make international sourcing as easy as possible for any business."

"Our mission has always been to help users sell more successfully online, particularly through the eBay channel," said Jeff Schlicht, founder and CEO of Auctiva. "With more than 10,000 new users joining Auctiva each month, we are constantly looking for new ways to serve our customers and drive value for them. Joining Alibaba.com and connecting our buyers to the vast supplier base on Alibaba.com and AliExpress.com is the perfect way to help them grow and thrive in an increasingly competitive environment."

The acquisition closed on August 18, 2010, and is part of the US\$100 million investment plan for AliExpress that Alibaba.com announced in April 2010. Auctiva will operate as a new business unit within Alibaba.com and will retain its own brand name and operations.

Rothschild was the financial adviser to Alibaba.com for this transaction and Morgan Joseph was the adviser to Auctiva for this transaction. Financial terms were not disclosed.

About Auctiva

Auctiva is the most popular third-party developer of tools for eBay sellers. Founded in 1998, Auctiva gives independent sellers the power of large corporations by helping them build their brands, market their products, save money, manage sales and buyer relationships, and increase their selling efficiency. The company's software offers a wide array of listing, marketing and management tools, as well as image hosting. For more information, visit www.auctiva.com. Auctiva also owns and operates Auctiva Commerce, the company's full-featured online storefront product, and KickItBack.com, an online cashback rebate loyalty program.