

Taobao Launches New Taobao App Store

Company invests RMB10 million in top 30 applications

BEIJING, January 15, 2010 -- Taobao, the largest online shopping destination in China, has launched the Taobao App Store and will invest RMB10 million (US\$1.46 million^{1[1]}) to foster promising independent software developers via the Taobao Open Platform (TOP) fund every year. The Taobao App Store (<http://app.taobao.com>) will offer solutions created by independent developers through TOP for Taobao merchants and consumers. The first batch of applications available in the store is the top 30 applications identified through the “**Win at Taobao**” competition held by TOP.

“With an increasing number of third-party developers registering and the emergence of exceptional software on TOP, the Taobao App Store will serve as an incubator of innovative technology for Taobao users,” says Wang Wenbin, vice president of Taobao Open Platform. “The Taobao App Store is a convenient

^{1[1]} Exchange rate of US\$ 1 = RMB 6.83



channel for developers, investors and customers to interact directly and it will ultimately allow the market to evaluate the independent developers' creations.”

The Taobao App Store will offer products across a range of categories to meet the needs of all Taobao users, including tools for sellers and buyers; extensions for Taobao community sites; tools for product recommendation; and mobile phone applications. For Taobao sellers, the applications will aim to improve their business management and back-end operation functionality while buyers will be offered tools to improve their shopping experience. Software developers will be able to generate revenue from their applications through subscription fees, commissions or advertising, depending on the type of service offered and popularity of the product.

Established in October 2009, the TOP fund will make an annual investment of RMB10 million to foster and encourage innovation in online application development among independent developers. The TOP fund aims to incentivize independent developers to create original and novel tools for Taobao users and support their growth on TOP. The TOP fund is jointly financed by Taobao, Alibaba Group and outside investors. Several external parties including government entities in China and around the world, funds and investment companies have expressed interest in becoming potential investors.

The top three winners of the “**Win at Taobao**” competition, launched in September 2009, will receive investments from the TOP fund totaling RMB5 million (US\$732,000). Another RMB5 million of investments will be shared among the rest of the top 30 contestants. As of December 31, 2009, more than 25,000 independent software developers have registered on TOP and more than 4,000 applications have been created using the application programming interface (API) provided on TOP.

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About Taobao

Launched in 2003, Taobao (www.taobao.com) is the largest Internet retail website in China with 78 percent of the Chinese domestic online consumer market*. It provides the most comprehensive product offering and serves more than 170 million registered users as of the end of December 2009. Transaction volume on Taobao (gross merchandise volume or GMV) exceeded RMB200 billion (US\$29 billion) in 2009. According to government statistics, Taobao's GMV equaled approximately 1.4 percent of China's total retail trade in the first half of 2009. Taobao is the primary online shopping destination for the largest online population in the world**.

*** iResearch China Online Shopping Research Report: 2008-2009. Shanghai: iResearch Consulting Group.**

**** According to China Internet Network Information Center (CNNIC), China had 338 million Internet users as of June 30, 2009.**

About Alibaba Group

Alibaba Group is a global e-commerce leader and the largest e-commerce company in China. Since it was founded in 1999, Alibaba Group has grown to include the following core businesses: Alibaba.com (HKSE: 1688.HK), Alibaba Group's flagship company and the world's leading B2B e-commerce company; Taobao, China's largest Internet retail Web site and a one-stop platform for shopping, socializing and information sharing; Alipay, China's leading third-party online payment service; Alibaba Cloud Computing, a developer of advanced data-centric cloud computing services; and China Yahoo!, one of China's leading Internet portals.

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