

As of September 2009

What Is Taobao?

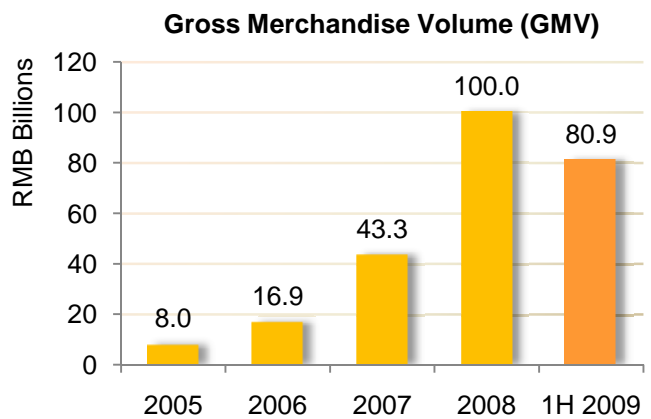
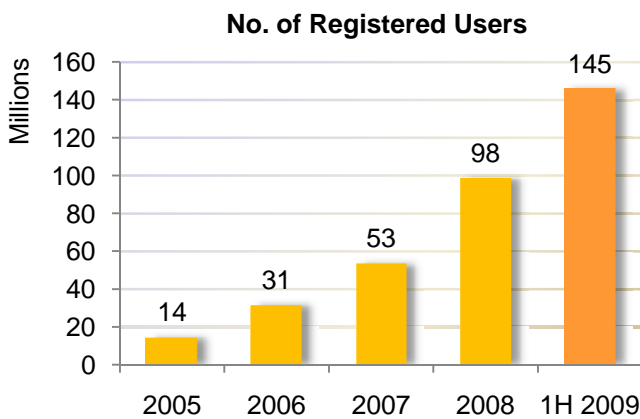
Taobao was established by Alibaba Group in 2003 as a consumer online marketplace. Over the past six years, it has transformed into a one-stop platform for online shopping, socializing and information sharing and is further developing into an e-commerce infrastructure provider for the Internet retail industry. In the past year, Taobao has introduced a series of features and technologies to further enhance customer experience on the platform. These developments include the launch of Taojianghu, a social networking service; Taobao Open Platform, which welcomes third-party developers to create applications for Taobao members; and integration of Koubei.com to further extend lifestyle guide services on Taobao.

In the first half of 2009, the three major trends that have emerged on Taobao are (1) more and more of online shoppers are turning to e-commerce for everyday items; (2) online retail is becoming a main channel for international brands to increase breadth and reach in China; and (3) Taobao has incentivized Chinese business owners to create brands for domestic consumption.











Website operating within the Taobao network include:

Advertising Exchange	Online Shopping	Classified Listing
 www.alimama.com An online advertising exchange and affiliate network for hundreds of thousands of publishers in China	 www.taobao.com <ul style="list-style-type: none"> Largest Internet retail Web site in China with 78% of the domestic online consumer market Provides the most comprehensive product offering ranging from collectibles and hard-to-find items to mainstream retail categories through both C2C and B2C models 	 www.koubei.com China's leading classified listing website with more than 30 million registered users as of mid-2009

Taobao Marketplace Highlights



Top Selling Products in 1H 2009 (By GMV)

Rank	Category	Rank	Category
1	Household products 	6	Jewelry 
2	Apparel and fashion accessories 	7	Books and audio-visual products 
3	Mobile phones 	8	Laptop computers 
4	Cosmetics 	9	Small home appliances 
5	Outdoor sports goods 	10	Cameras and video cameras 

Age Demographics of Registered Users as of Mid-2009

