

The area of consumer concern

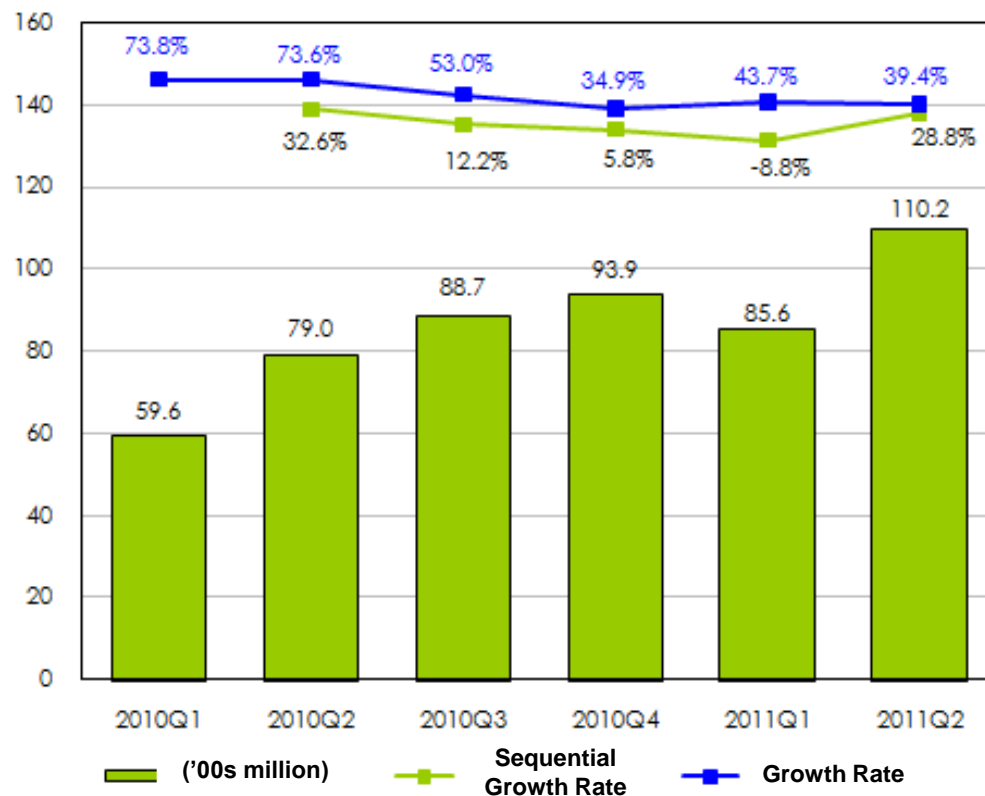


Search for users in different countries and regions, click on the area difference.

China Online Advertising

2010Q1-2011Q2 China Online Advertising Revenue

- Seasonality Trend (Q3-4)
- Market Growth Average 53%



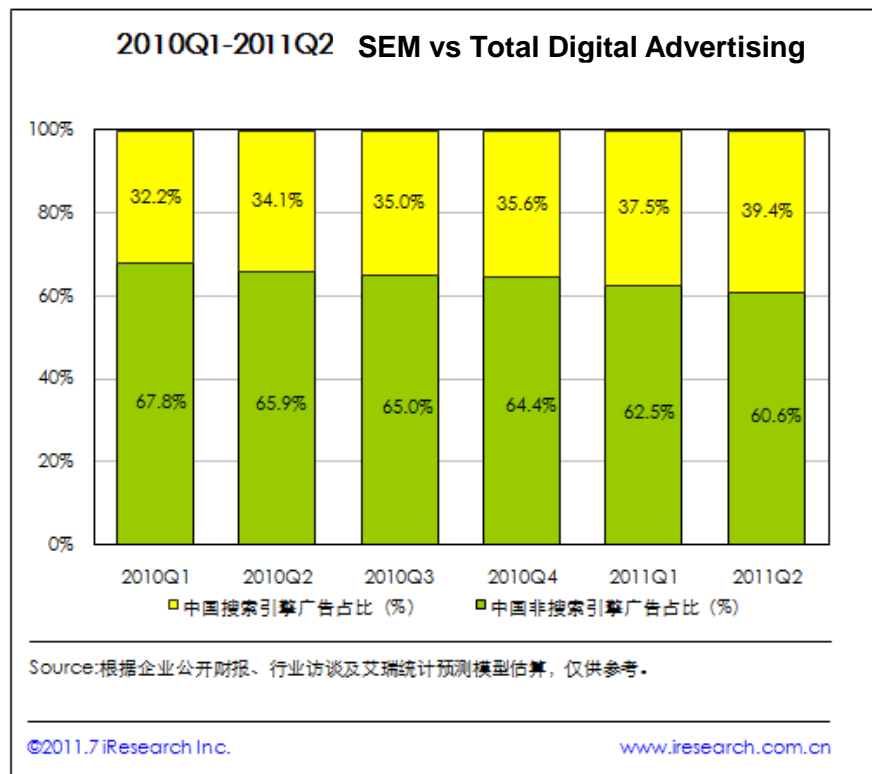
注：网络广告市场规模包括品牌网络广告、搜索引擎广告、固定文字链广告、分类广告、视频及富媒体广告和其他形式网络广告，不包括渠道代理商收入。

Source: 根据企业公开财报、行业访谈及艾瑞统计预测模型估算，仅供参考。

Data Source: iAdtracker July 2011

China Online Advertising – Media Mix

- Industry Trend :
 - 60% Display & Video
 - 40% Search



- China's Search Marketing grew to 39.4%, or RMB 4.34 billion

Data Source: iResearch August 2011

China Online Advertising by Format

Video

- Strong Growth
- Small market share for now

Rich Media

- Strong Growth
- Small market share for now

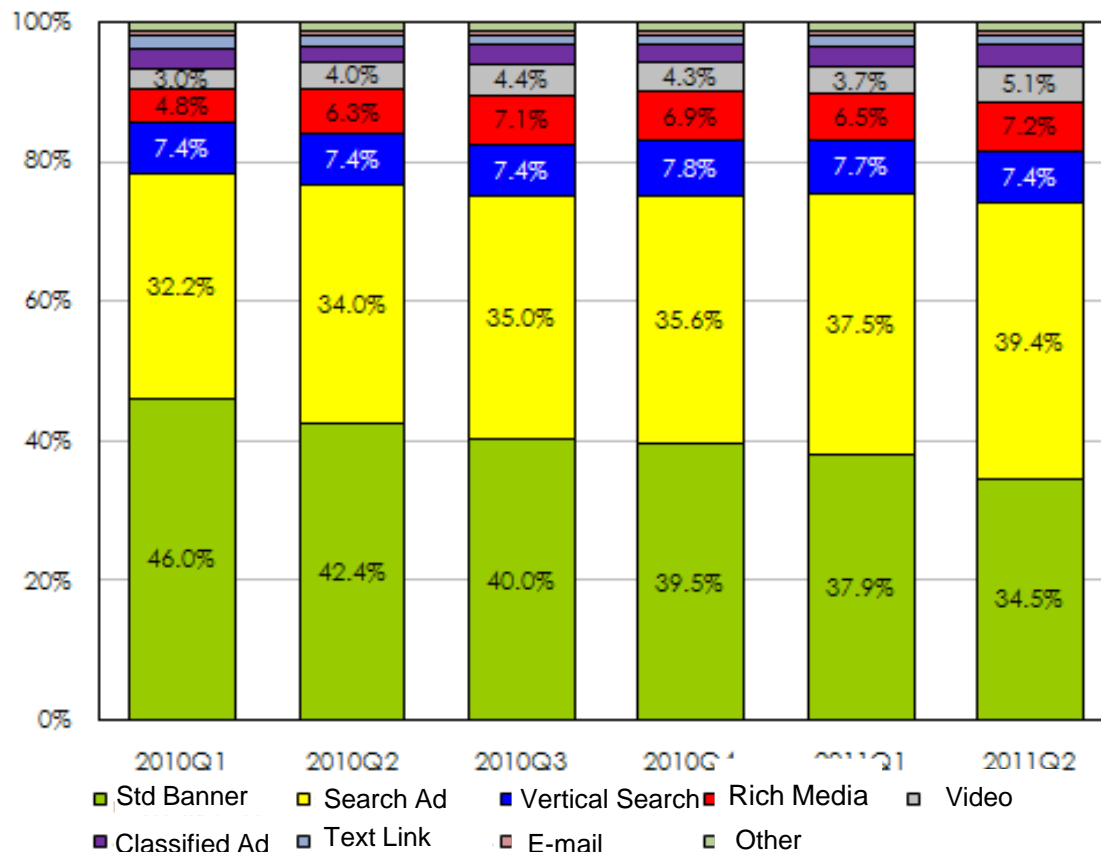
Search Ads (SEM)

- Continuous Growth Rate
- Market Share 39.4%
- #1 Ad format

Standard Banner Ads

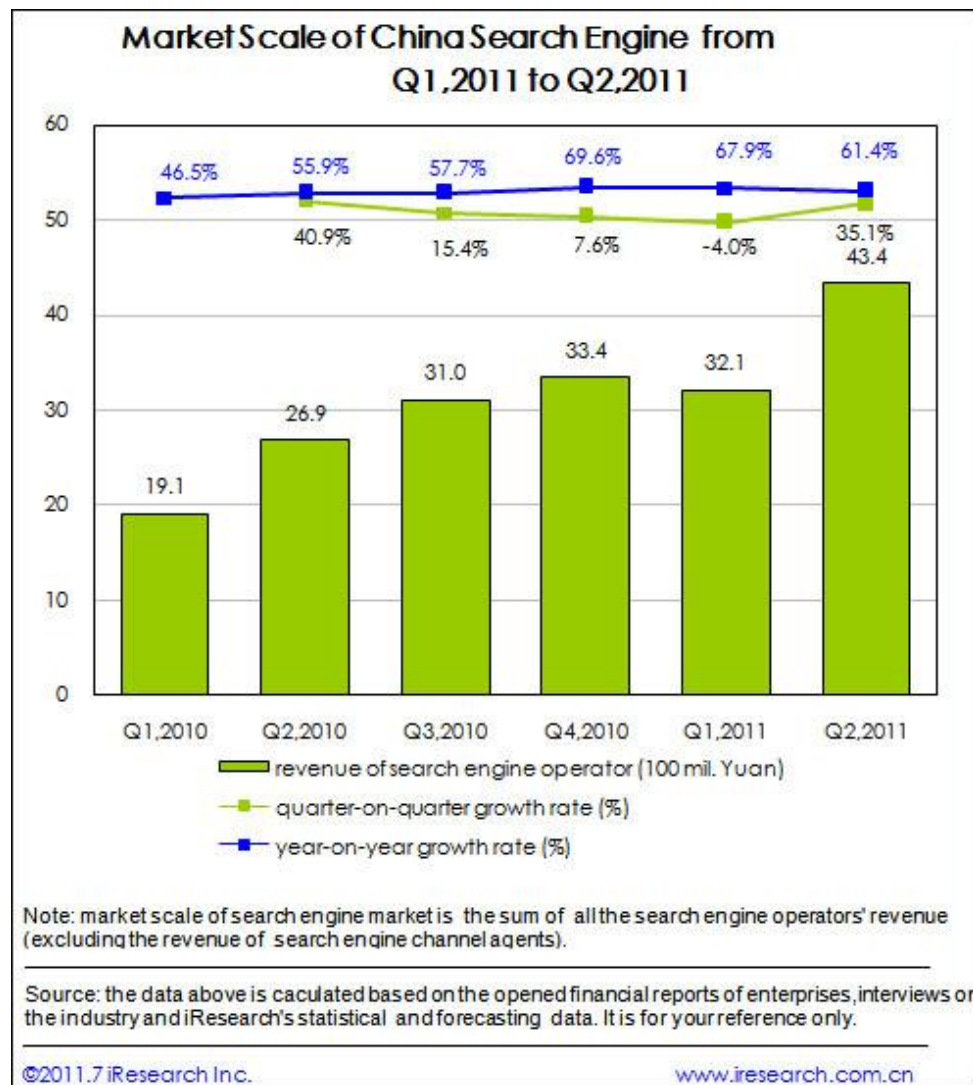
- Growth Rate slowing
- Market Share down to 34.5%

2010Q1-2011Q2 China Online Advertising by Format



China Search Engine Advertising

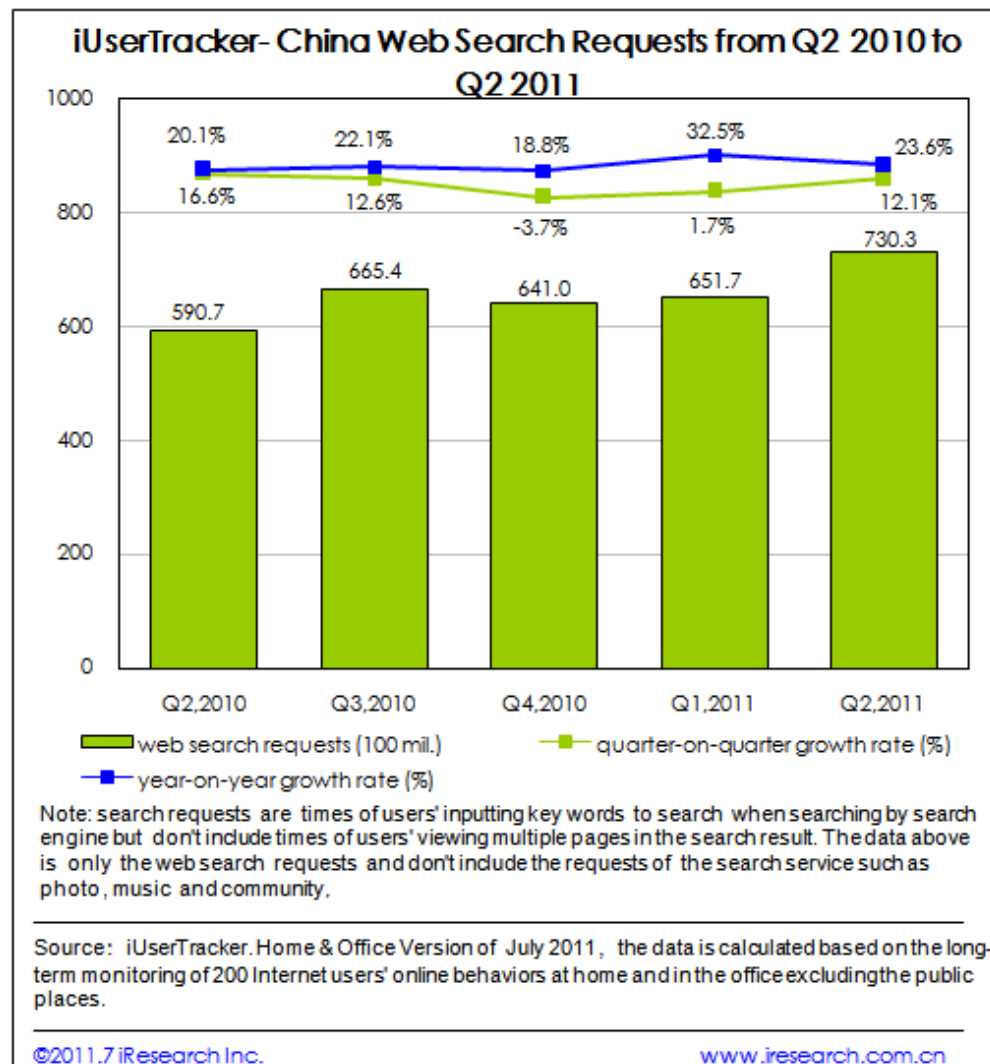
- Advertisers driving Revenue Growth
- New Formats & Placements adding slight revenue increase



Search Engine Queries > 70billion, Q2

- YoY Growth of 23.6%
- Quarterly Growth of 12.1%.

1. Seasonality of Holidays
2. Unique Visitors : Stagnant
3. Increased Frequency
4. Number of New Users slowing
5. User experience increasing

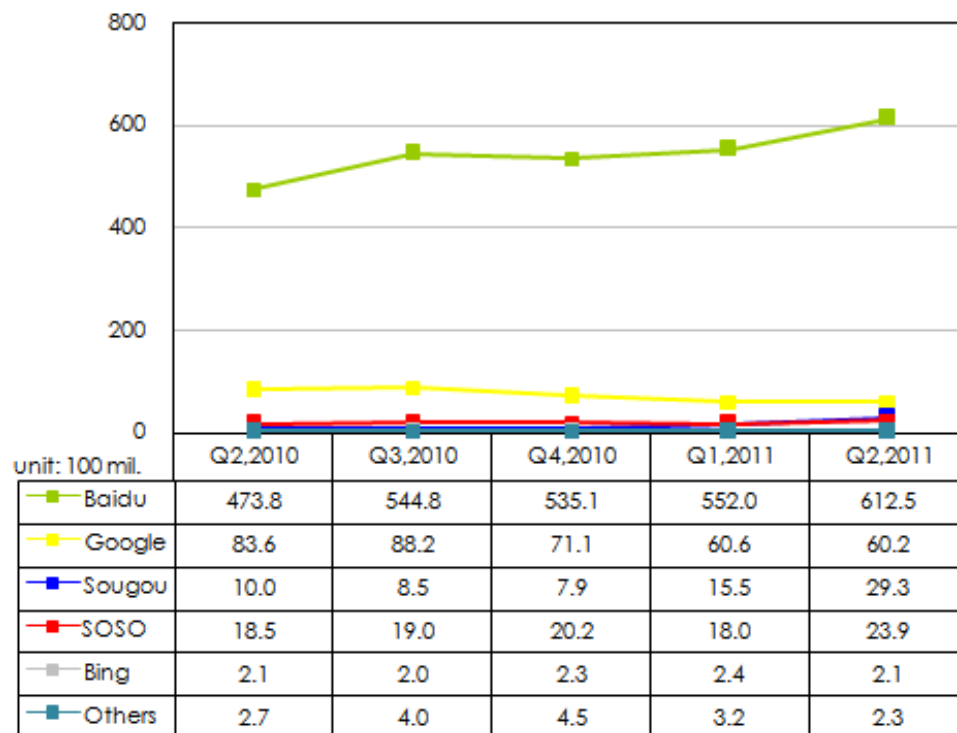


Search Engine Market Share

- Sougou Quarterly growth rate of 89.0%
- YoY growth rate of 192.9%
- Ranked in Top 3

1. Search Users maturing
2. Input Method & Browser offering superior results
3. Increases Frequency

iUserTracker-Web Search Requests of China Main Brand Search Engines from Q2 2010 to Q2 2011



Note: search requests are times of users' inputting key words to search when searching by search engine but don't include times of users' viewing multiple pages in the search result. The data above is only the web search requests and don't include the requests of the search service such as photo, music and community,

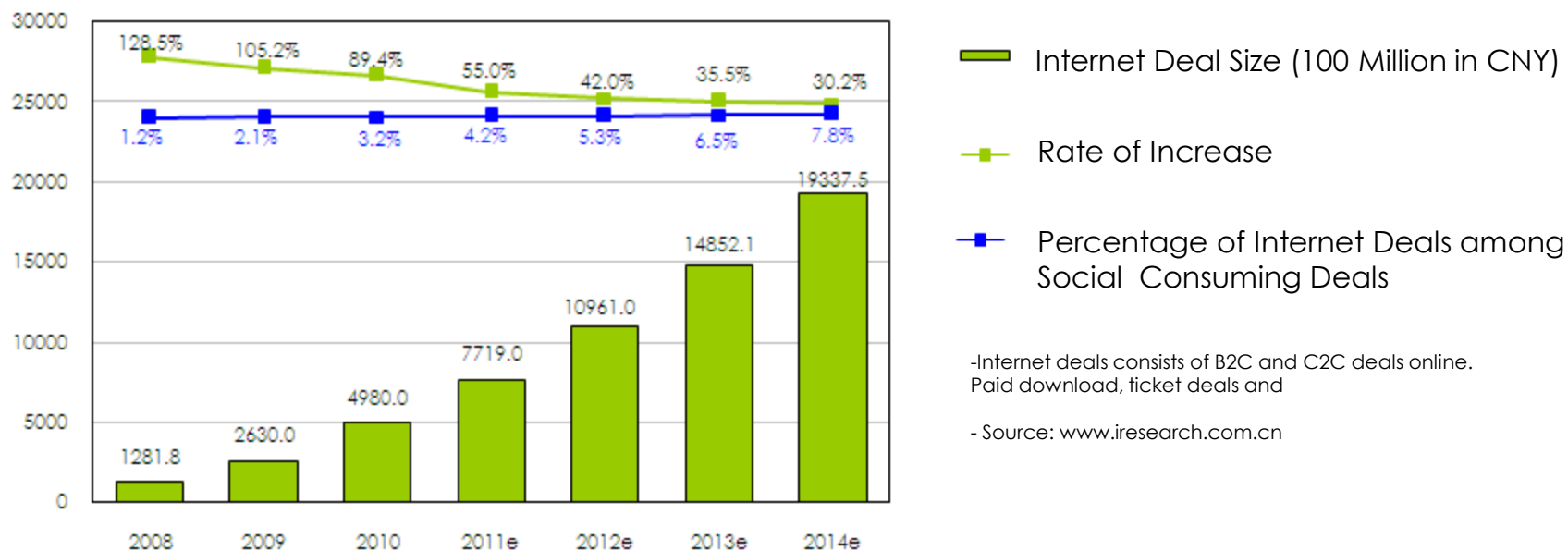
Source: iUserTracker. Home & Office Version of July 2011. the data is calculated based on the long-term monitoring of 200 Internet users' online behaviors at home and in the office excluding the public places.

©2011.7 iResearch Inc.

www.iresearch.com.cn

Brief Introduction on Ecommerce in China

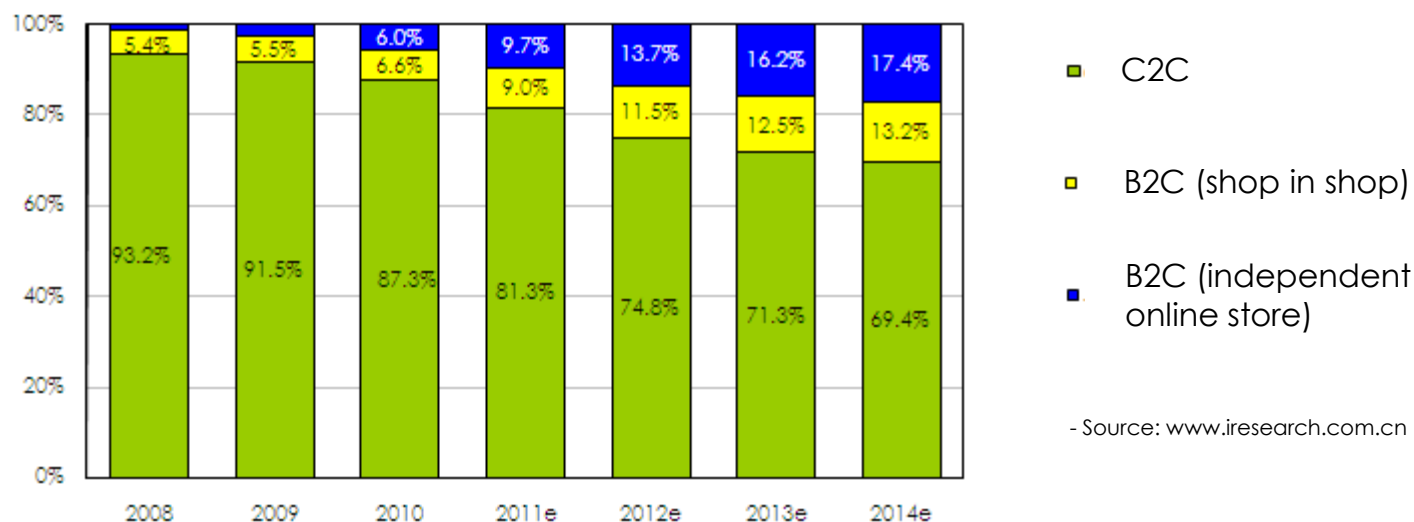
China Internet Deal Scale 2008 - 2014



- An explosive growth happened in the Ecommerce business of China in 2010. The overall Internet deal size reached CNY 498 billion, increased by 89.4% compare to the data in 2009. And the percentage of growth for 2011 is estimated at 55%.

Brief Introduction on Ecommerce in China

Structure of China Internet Deals 2008 - 2014



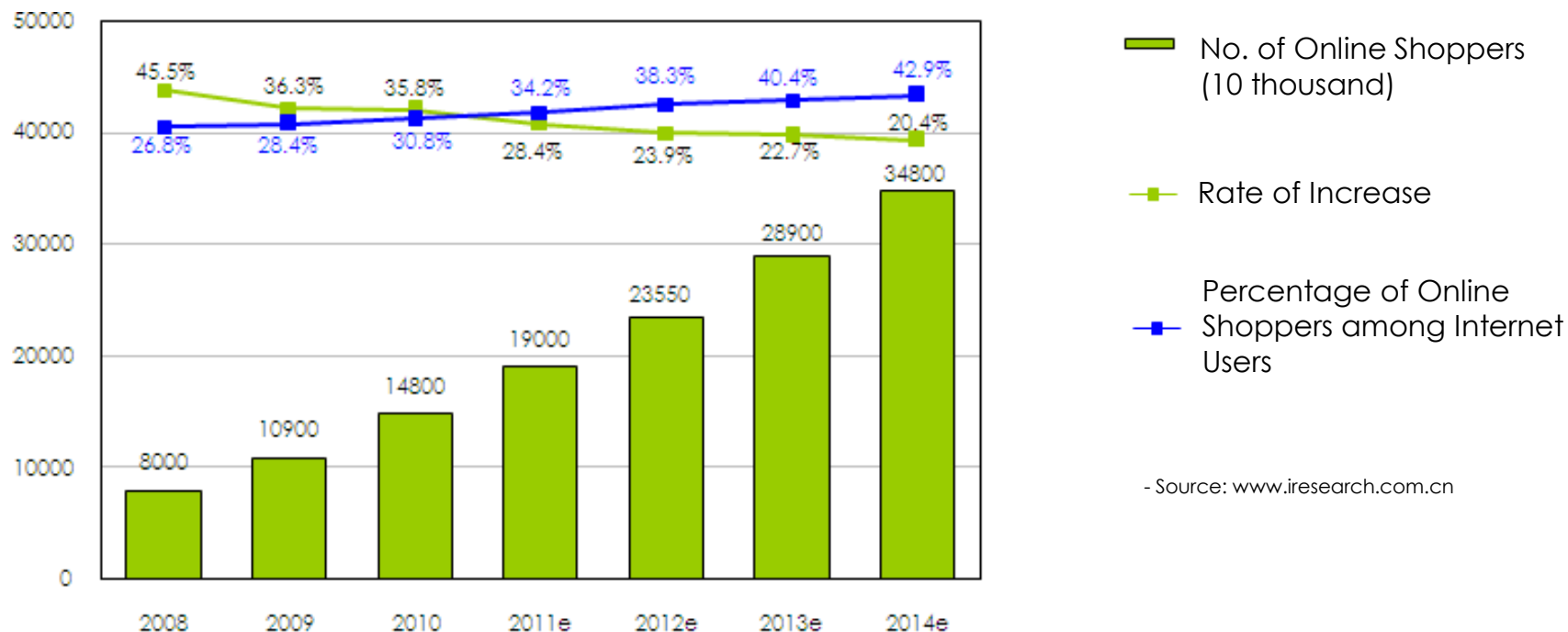
- C2C deals still dominates the overall online shopping deals though its market share shows a decreasing trend.

- B2C business is still expanding . The market share reached 12.7% in 2010. The dominating C2C platform providers, such as Taobao and Paipai, are expanding their B2C business based on their mature C2C deals.

- Many independent online stores with B2C business model came to the stage in 2010 and some of them really succeeded in attracting online consumers.

Brief Introduction on Ecommerce in China

Number of Chinese online consumers 2008- 2014



- In 2010, the number of Chinese online consumers reached 148 million, 35.8% of all 480 million Internet users.

- 2 reasons lead to the increasing trend on online shoppers: 1. Continuous increase of Internet users in China. 2. Continuous improvement on online shopping environment.