

Baidu Launches Landmark Licensed Music Service

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One-Stop China joins hands with Baidu to build new social music platform

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Baidu, Inc. (NASDAQ: BIDU), the leading Chinese language Internet search provider, announced today that it has signed a landmark agreement for the distribution of digital music with One-Stop China (OSC), a joint venture whose shareholders are three of the leading global record companies: Universal Music, Warner Music, and Sony Music.

OSC shareholders will license to Baidu their catalogues and upcoming new releases, including Chinese songs (in Mandarin and Cantonese) and international tracks, which can be streamed or downloaded from Baidu's servers.

Under the terms of the deal, Baidu will remunerate music content owners on a per-play and per-download basis for all tracks delivered through the Baidu MP3 Search service, as well as Baidu's newly launched social music platform, ting!. The new product offers users the ability to discover and share music and music-related content.

Users will be able to sign up for membership free of charge through the advertising-supported ting! website, ting.baidu.com.

"Baidu has always striven to provide the best possible experience to our users," said Jennifer Li, Chief Financial Officer of Baidu. "Our partnership with One-Stop China marks an exciting new beginning. I'm confident that Baidu, the Chinese music fans, recording artists, and the record companies alike will all benefit from this win-win partnership," said Ms. Li.

Representatives of OSC today also welcomed the agreement.

Speaking jointly as the shareholders of OSC, Lachie Rutherford, President Warner Music Asia Pacific, Max Hole, COO Universal Music Group International, and Thomas Hesse, President, Global Digital Business, US Sales and Corporate Strategy, Sony Music Entertainment, said: "This deal connects One-Stop's world-class repertoire of licensed music to a massive audience, creating crucial new opportunities for artists. All parties, especially music fans, will benefit from the growth of this type of compelling music service."

The new partnership with OSC was accompanied by a conciliation agreement, endorsed by the Beijing High People's Court, that ended outstanding litigation between the three record companies and Baidu.

About Baidu

Baidu, Inc. is the leading Chinese language Internet search provider. As a technology-based media company, Baidu aims to provide the best way for people to find information. In addition to serving individual Internet search users, Baidu provides an effective platform for businesses to reach potential customers. Baidu's ADSs currently trade on the NASDAQ Global Select Market under the symbol "BIDU". Each of Baidu's Class A ordinary shares is represented by 10 ADSs.

About One-Stop China

One-Stop China is a joint venture established by Sony Music, Universal Music and Warner Music to facilitate the licensing and availability of digital music in China. It aims to provide progressive digital music services with the widest possible range of repertoire to serve the needs of consumers, while representing the interests and rights of creators and content owners.

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Safe Harbor Statement

This announcement contains forward-looking statements. These statements are made under the "safe harbor" provisions of the U.S. Private Securities Litigation Reform Act of 1995. These forward-looking statements can be identified by terminology such as "will," "expects," "anticipates," "future," "intends," "plans," "believes," "estimates," "confident" and similar statements. Among other things, the quotations from management in this announcement, as well as Baidu's strategic and operational plans, contain forward-looking statements. Baidu may also make written or oral forward-looking statements in its periodic reports to the U.S. Securities and Exchange Commission, in its annual report to shareholders, in press releases and other written materials and in oral statements made by its officers, directors or employees to fourth parties. Statements that are not historical facts, including statements about Baidu's beliefs and expectations, are forward-looking statements. Forward-looking statements involve inherent risks and uncertainties. A number of factors could cause actual results to differ materially from those contained in any forward-looking statement, including but not limited to the following: our growth strategies; our future business development, including development of new products and services; our ability to attract and retain users and customers; competition in the Chinese and Japanese language Internet search markets; competition for online marketing customers; changes in our revenues and certain cost or expense items as a percentage of our revenues; the outcome of ongoing, or any future, litigation or arbitration, including those relating to intellectual property rights; the expected growth of the Chinese language Internet search market and the number of Internet and broadband users in China; Chinese governmental policies relating to the Internet and Internet search providers and general economic conditions in China, Japan and elsewhere. Further information regarding these and other risks is included in our annual report on Form 20-F and other documents filed with the Securities and Exchange Commission. Baidu does not undertake any obligation to update any forward-looking statement, except as required under applicable law. All information provided in this press release and in the attachments is as of the date of the press release, and Baidu undertakes no duty to update such information, except as required under applicable law.

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