

## **Baidu Announces Acquisition of Providence Equity Partners' Stake in iQiyi**

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BEIJING, Nov. 2, 2012 /PRNewswire/ -- Baidu Inc. (NASDAQ: BIDU), the leading Chinese language Internet search provider, today announced that it has reached a definitive agreement with Providence Equity Partners ("Providence") pursuant to which Baidu will purchase shares of iQiyi.com ("iQiyi") held by Providence for an undisclosed amount. Upon completion, Baidu will have a substantial majority stake in iQiyi.

(Logo: <http://photos.prnewswire.com/prnh/20081103/BAIDULOGO> )

iQiyi, launched in April 2010 and known as "Qiyi" until November 2011, is the first online video platform in China to focus exclusively on fully licensed, high-definition and professionally-produced content. In August 2012, iQiyi was ranked as the number one online video platform in China in terms of average time spent per user and number two in terms of total monthly time spent, according to iResearch, a China-based research firm.

Baidu and Providence expect the transaction to close in the fourth quarter of 2012, subject to customary closing conditions. Upon completion of the transaction, iQiyi will be consolidated into Baidu's financial statements. iQiyi will continue to operate as a separate brand with its existing management team.

"Online video is a key strategic vertical for Baidu as user numbers and time-spend continue to increase exponentially, underscoring the tremendous potential in the sector," said Robin Li, chairman and CEO of Baidu. "We are very pleased with the progress iQiyi has made and have confidence that iQiyi's management will continue to grow its leading position. Going forward, we see users spending more and more time on online video and we will integrate iQiyi's content more seamlessly into Baidu's overall search and mobile services."

Mr. Li added, "I want to extend my appreciation to the Providence team for their contribution to and support of iQiyi over the last two-and-a-half years."

Dr. Yu Gong, founder and CEO of iQiyi, added, "iQiyi has established a great business foundation and strong brand recognition and we look forward to leveraging our relationship with Baidu to further drive superior user and advertising customer experience."

### **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 trade on the NASDAQ Global Select Market under the symbol "BIDU". Currently, ten ADSs represent one Class A ordinary share.

### **About iQiyi**

iQIYI (IQIYI.COM), formerly known as QIYI, is China's leading advertising supported online television and movie portal that focuses on fully licensed, high-definition, professionally produced contents. The company was invested by Baidu, Inc. and Providence Equity Partners in early 2010.

### **About Providence Equity Partners**

Providence Equity Partners is the leading global private equity firm specializing in equity investments in media, communications, education, and information companies around the world. The principals of Providence manage funds with \$27 billion in commitments and has invested in more than 130 companies globally since the firm's inception in 1989. Significant existing and prior investments include ABTL (Indus Towers), Altegrity, AutoTrader.com, Blackboard, Bresnan Communications, Com Hem, Digiturk, Education Management Corporation, eircom, ikaSystems, Grupo TorreSur, Hulu,

Idea Cellular, Kabel Deutschland, NEW Asurion, PanAmSat, ProSiebenSat.1, Study Group, TDC, TVB, UFO Moviez, Univision, VoiceStream Wireless, Warner Music Group, Wize Commerce, World Triathlon Corporation, and Yankees Entertainment and Sports Network. Providence is headquartered in Providence, RI (USA) and also has offices in New York, London, Hong Kong and New Delhi. Visit [www.provequity.com](http://www.provequity.com) for more information.

### **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, 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 third 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. 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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