

**Press Release** 

### NETEASE.COM, INC.

## UNAUDITED CONDENSED CONSOLIDATED BALANCE SHEETS

(RMB and USD in thousands)

	December 31, 2009	March 31, 2010	March 31, 2010
	RMB	RMB	USD (Note 1)
Assets			
Current assets:			
Cash	1,041,290	1,443,105	211,419
Time deposits	5,975,378	6,234,955	913,439
Restricted cash	123,864	32,000	4,688
Accounts receivable, net	187,340	143,079	20,961
Prepayments and other current assets	568,125	472,035	69,155
Deferred tax assets	76,565	66,981	9,813
Total current assets	7,972,562	8,392,155	1,229,475
Non-current assets:			
Property, equipment and software, net	557,756	562,351	82,386
Land use right, net	12,305	12,240	1,793
License right, net	212,847	196,028	28,719
Deferred tax assets	4,188	1,823	267
Other long-term assets	43,811	43,873	6,428
Total non-current assets	830,907	816,315	119,593
Total assets	8,803,469	9,208,470	1,349,068
Liabilities and Shareholders' Equity			
Current liabilities:			
Accounts payable	238,435	131,414	19,253
Salary and welfare payables	129,493	88,553	12,973
Taxes payable	213,727	210,143	30,787
Deferred revenue	583,470	656,615	96,196
Accrued liabilities and other payables	212,800	236,030	34,579
Total current liabilities	1,377,925	1,322,755	193,788
Long-term payable:			
Other long-term payable	200	200	29
Total long-term payable	200	200	29
Total liabilities	1,378,125	1,322,955	193,817
Shareholders' equity	7,425,344	7,885,515	1,155,251
Total liabilities and shareholders' equity	8,803,469	9,208,470	1,349,068



#### NETEASE.COM, INC.

## UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS

(RMB and USD in thousands, except per share data)

March 31, 2009   December 31, 2009   March 31, 2009   Marc		Quarter Ended			
Revenues:   1/18   1/18   1/18   1/18   1/18   1/18   1/18   1/18   1/18   1/18   1/18   1/18   1/18   1/18   1/18   1/18   1/18   1/18   1/18   1/18   1/18   1/18   1/18   1/18   1/18   1/18   1/18   1/18   1/18   1/18   1/18   1/18   1/18   1/18   1/18   1/18   1/18   1/18   1/18   1/18   1/18   1/18   1/18   1/18   1/18   1/18   1/18   1/18   1/18   1/18   1/18   1/18   1/18   1/18   1/18   1/18   1/18   1/18   1/18   1/18   1/18   1/18   1/18   1/18   1/18   1/18   1/18   1/18   1/18   1/18   1/18   1/18   1/18   1/18   1/18   1/18   1/18   1/18   1/18   1/18   1/18   1/18   1/18   1/18   1/18   1/18   1/18   1/18   1/18   1/18   1/18		2009	2009	2010	2010
Online game services   724,024   1,088,041   1,085,322   159,003     Wireless value-added   14,030   183,679   91,548   13,412     Wireless value-added   16,641   18,480   18,060   2,646     Total revenues   781,695   1,290,200   1,194,930   175,061     Business taxes   (5,772)   (40,291)   (30,442)   (44,59)     Total net revenues   (75,923   1,249,909   1,164,488   170,602     Gross profit   641,604   844,122   780,700   114,376     Operating expenses:   3219   (405,787)   (333,788)   (56,226)     Soling and marketing expenses   (52,296)   (54,159)   (103,812)   (15,210)     Generating expenses   (150,596)   (236,993)   (225,687)   (33,065)     Operating expenses   (150,596)   (236,993)   (225,687)   (33,065)     Operating profit   491,098   607,129   555,013   81,311     Other income (expenses):   103   83   76   11	Revenues:	KMD	KIVID	KIMD	USD (Note I)
Wireless value-added services and others   16,641   18,480   18,060   2,646     Total revenues   781,695   1,290,200   1,194,930   175,061     Business taxes   (5,772)   (40,291)   (30,422)   (4,459)     Total net revenues   775,923   1,249,909   1,164,488   170,602     Total cost of revenues   (134,229)   (405,787)   (383,788)   (56,226)     Gross profit   641,694   844,122   780,700   114,376     Operating expenses:   Selling and marketing expenses   (47,511)   (103,812)   (152,10)     General and administrative expenses   (52,296)   (54,159)   (54,879)   (8,040)     Research and development expenses   (50,789)   (63,054)   (66,996)   (9,815)     Total operating profit   491,098   607,129   555,013   81,311     Other income (expenses):   103   83   76   11     Investincome   35,560   29,746   30,785   4,510     Other, net   (44,319)   (7,571)   (42,230)		724,024	1,088,041	1,085,322	159,003
services and others   16,641   18,480   18,060   2,246     Total revenues   781,695   1,290,200   1,194,930   175,061     Business taxes   (5,722)   (40,291)   (30,442)   (4,459)     Total net revenues   775,923   1,249,909   1,164,488   170,602     Total cost of revenues   (134,229)   (405,787)   (383,788)   (56,226)     Gross profit   641,694   844,122   780,700   114,376     Operating expenses:   (10,19,780)   (103,812)   (15,210)     General and administrative expenses   (52,296)   (54,159)   (54,879)   (84,40)     Research and development expenses   (50,789)   (63,054)   (66,996)   (2815)     Total operating profit   491,098   607,129   555,013   81,311     Investment income   103   83   76   11     Interest income   035,550   29,746   30,755   4,510     Investment income   103   83   76   11     Interest income		41,030	183,679	91,548	13,412
Total revenues781,6951.290,2001.194,902175,061Business taxes $(5,722)$ $(40,291)$ $(30,442)$ $(44,459)$ Total net revenues775,923 $1,249,909$ $1,164,488$ 170,602Total cost of revenues $(134,229)$ $(405,787)$ $(383,788)$ $(56,226)$ Gross profit $641,694$ $844,122$ 780,700 $114,376$ Operating expenses:Selling and marketing expenses $(52,296)$ $(54,159)$ $(103,812)$ $(15,210)$ General and administrative expenses $(52,296)$ $(54,159)$ $(54,879)$ $(8,040)$ Research and development expenses $(150,596)$ $(236,993)$ $(225,687)$ $(33,065)$ Operating profit491,098 $607,129$ $555,013$ $81,311$ Other income (expenses):103837611Investment income35,560 $29,746$ $30,785$ $4,510$ Other, net $(48,319)$ $(7,571)$ $(42,230)$ $(6,187)$ Net income fater tax $(61,739)$ $(71,194)$ $(94,515)$ $(13,847)$ Net income fater tax $0.13$ $0.18$ $0.14$ $0.02$ Earnings per share, basic $0.13$ $0.18$ $0.14$ $0.02$ Earnings per share, basic $0.13$ $0.18$ $0.14$ $0.02$ Earnings per ADS, basic $3.223, 4.39$ $3.47$ $0.51$ Earnings per ADS, basic $3.223, 4.39$ $3.247, 0.51$ Weighted average number of ordinary shares outstanding, basic $3.207,760$ $3.237$		16.641	10,400	10.070	2.446
Business taxes $(5,772)$ $(40,291)$ $(30,442)$ $(4,439)$ Total net revenues $775,923$ $1,249,909$ $1,164,488$ $170,602$ Total cost of revenues $(134,229)$ $(405,787)$ $(383,788)$ $(56,226)$ Gross profit $641,694$ $844,122$ $780,700$ $114,376$ Operating expenses: $(47,511)$ $(119,780)$ $(103,812)$ $(15,210)$ General and administrative expenses $(47,511)$ $(119,780)$ $(64,879)$ $(8,040)$ Research and development expenses $(52,266)$ $(54,159)$ $(256,687)$ $(33,065)$ Operating profit $091,098$ $607,129$ $555,013$ $81,311$ Other income (expenses): $491,098$ $607,129$ $555,013$ $81,311$ Investment income $103$ $83$ $76$ $111$ Interest income $292,464$ $30,785$ $44,510$ $(13,847)$ Net income before tax $(61,739)$ $(71,194)$ $(94,515)$ $((13,847)$ Net income after tax $416,703$ $558,193$ $449,129$ $65,798$ Net income after tax $32,259$ $442$ $3.442$ $3.23$ $43.44$ $0.02$ Earnings per share, basic $0.13$ $0.18$ $0.14$ $0.02$ Earnings per ADS, basic $3.23$ $3.237,488$ $3.239,858$ $3.229,858$ Weighted average number of ordinary shares outstanding, basic $3.207,760$ $3.237,488$ $3.239,858$ $3.229,940$ Weighted average number of ordinary shares outstanding, diluted	services and others	16,641	18,480	18,060	2,646
Total net revenues   775,923   1,249,909   1,164,488   170,602     Total cost of revenues   (134,229)   (405,787)   (383,788)   (56,226)     Gross profit   641,694   844,122   780,700   114,376     Operating expenses:   5   5   (103,812)   (15,210)     General and administrativ expenses   (52,296)   (54,159)   (64,044)   (844,027)   (80,40)     Research and development expenses   (52,296)   (54,159)   (66,966)   (9,815)   (73,066)   (72,25,687)   (33,065)   (33,065)   (33,065)   (33,065)   (22,5687)   (33,065)   (33,065)   (100,785)   (4,511)   (119,780)   (103,812)   (15,10)   (16,172)   (17,12)   (13,11)   (100,785)   (43,11)   (100,785)   (4,131)   (101,781)   (42,230)   (6,187)     Other income   103   83   76   11   11   Interest income   35,560   29,746   30,785   4,510   (13,847)   (46,187)   (46,187)   (41,721)   (41,721)   (41,721) <td>Total revenues</td> <td>781,695</td> <td>1,290,200</td> <td>1,194,930</td> <td>175,061</td>	Total revenues	781,695	1,290,200	1,194,930	175,061
Total cost of revenues   (134,229)   (405,787)   (383,788)   (56,226)     Gross profit   641,694   844,122   780,700   114,376     Operating expenses:   5   5   (19,780)   (103,812)   (15,210)     General and administrative expenses   (63,054)   (64,696)   (9,815)   (134,879)   (8,040)     General and development expenses   (150,789)   (63,054)   (66,966)   (9,815)     Total operating expenses   (150,596)   (236,993)   (225,687)   (33,065)     Operating profit   491,098   607,129   555,013   81,311     Other income (expenses):   103   83   76   111     Interest income   103   83   76   111     Interest income   35,560   29,746   30,785   4,510     Other, net   (48,319)   (7,571)   (42,230)   (6,187)     Net income after tax   416,721   571,767   452,258   66,256     Earnings per share, basic   0.13   0.18   0.14   0.0	Business taxes	(5,772)	(40,291)	(30,442)	(4,459)
Gross profit   641,694   844,122   780,700   114,376     Operating expenses:   Selling and marketing expenses   (47,511)   (119,780)   (103,812)   (15,210)     General and administrative expenses   (52,296)   (54,159)   (54,879)   (8,407)     Research and development expenses   (50,789)   (63,054)   (66,996)   (9,815)     Total operating expenses   (150,596)   (236,993)   (225,687)   (33,065)     Operating profit   491,098   607,129   555,013   81,311     Other income (expenses):   103   83   76   11     Interest income   103   83   76   11     Interest income   103   83   76   11     Interest income   35,560   29,746   30,785   4,510     Other, net   (48,319)   (7,571)   (42,230)   (6,187)     Net income after tax   16,703   558,193   449,129   65,798     Net income after tax   113   0.18   0.14   0.02	Total net revenues	775,923	1,249,909	1,164,488	170,602
Operating expenses: Selling and marketing expenses   (47,511)   (119,780)   (103,812)   (15,210)     General and administrative expenses   (52,296)   (54,159)   (54,879)   (8,040)     Research and development expenses   (50,789)   (63,054)   (66,996)   (9,815)     Total operating expenses:   (150,596)   (236,993)   (225,687)   (33,065)     Operating profit   491,098   607,129   555,013   81,311     Other income (expenses):   103   83   76   111     Interest income   103   83   76   111     Interest income   35,560   29,746   30,785   4,510     Other, net   (48,319)   (7,571)   (42,230)   (6,187)     Net income before tax   61,739   (71,194)   (94,515)   (13,847)     Income tax   0.13   0.18   0.14   0.02     Ret income after tax   3,255   4.42   3.499   0.51     Barnings per share, basic   0.13   0.18   0.14   0.02	Total cost of revenues	(134,229)	(405,787)	(383,788)	(56,226)
Selling and marketing expenses $(47,511)$ $(119,780)$ $(103,812)$ $(15,210)$ General and administrative expenses $(52,296)$ $(54,159)$ $(54,879)$ $(8,049)$ Research and development expenses $(150,596)$ $(236,993)$ $(225,687)$ $(33,065)$ Total operating expenses $(150,596)$ $(236,993)$ $(225,687)$ $(33,065)$ Operating profit $019,098$ $607,129$ $555,013$ $81,311$ Other income (expenses): $103$ $83$ $76$ $11$ Interest income $103$ $83$ $76$ $11$ Interest income $35,560$ $29,746$ $30,785$ $4,510$ Other, net $(48,319)$ $(7,571)$ $(42,230)$ $(6,187)$ Net income before tax $478,442$ $629,387$ $543,644$ $79,645$ Income tax $(61,739)$ $(71,194)$ $(94,515)$ $(13,847)$ Net income after tax $416,703$ $558,193$ $449,129$ $65,798$ Net income after tax $3,225$ $442$ $3.49$ $0.51$ Earnings per share, basic $0.13$ $0.18$ $0.14$ $0.02$ Earnings per ADS, basic $3.225$ $4.42$ $3.49$ $0.51$ Earnings per ADS, diluted $0.13$ $0.18$ $0.14$ $0.02$ Earnings per ADS, diluted $3.237,760$ $3.237,488$ $3.239,858$ $3.239,858$ Weighted average number of ordinary shares outstanding, basic $128,310$ $129,500$ $129,594$ $129,594$ Weighted average number of ordina	Gross profit	641,694	844,122	780,700	114,376
General and administrative expenses $(52,296)$ $(54,159)$ $(54,879)$ $(8,040)$ Research and development expenses $(50,789)$ $(63,054)$ $(66,996)$ $(9,815)$ Total operating expenses $(150,596)$ $(236,993)$ $(225,687)$ $(33,065)$ Operating profit491,098 $607,129$ $555,013$ $81,311$ Other income (expenses):103837611Interest income103837611Interest income $(48,319)$ $(7,571)$ $(42,230)$ $(6,187)$ Other, net $(48,319)$ $(7,571)$ $(42,230)$ $(6,187)$ Net income before tax $478,442$ $629,387$ $543,644$ $79,645$ Income tax $(61,739)$ $(71,194)$ $(94,515)$ $(13,847)$ Net income after tax $416,703$ $558,193$ $449,129$ $65,798$ Net income after tax $116,703$ $558,193$ $449,129$ $65,798$ Net income attributable to noncontrolling interests $118$ $13,574$ $3,129$ $458$ Net income attributable to the Company's shareholders $113$ $0.18$ $0.14$ $0.02$ Earnings per share, basic $0.13$ $0.18$ $0.14$ $0.02$ Earnings per ADS, diluted $3.23$ $3.207,760$ $3.237,488$ $3.239,858$ $3.239,858$ Weighted average number of ordinary shares outstanding, basic $128,310$ $129,500$ $129,594$ $129,594$ Weighted average number of ordinary shares outstanding, diluted $3.224,599$	Operating expenses:				
Research and development expenses $(50,789)$ $(63,054)$ $(66,996)$ $(9,815)$ Total operating expenses $(150,596)$ $(236,993)$ $(225,687)$ $(33,065)$ Operating profit491,098 $607,129$ $555,013$ $81,311$ Other income (expenses):103 $83$ $76$ 11Interest income103 $83$ $76$ 11Interest income $35,560$ $29,746$ $30,785$ $4,510$ Other, net $(48,319)$ $(7,571)$ $(42,230)$ $(6,187)$ Net income before tax $478,442$ $629,387$ $543,644$ $79,645$ Income tax $416,703$ $558,193$ $449,129$ $65,798$ Net income after tax $416,703$ $558,193$ $449,129$ $65,798$ Net income attributable to necontrolling interests $113$ $0.18$ $0.14$ $0.02$ Earnings per share, basic $0.13$ $0.18$ $0.14$ $0.02$ Earnings per ADS, basic $3.225$ $4.42$ $3.49$ $0.511$ Earnings per ADS, diluted $0.13$ $0.18$ $0.14$ $0.02$ Earnings per ADS, diluted $3.2207,760$ $3.237,488$ $3.239,858$ $3.239,858$ Weighted average number of ordinary shares outstanding, basic $128,310$ $129,500$ $129,594$ $129,594$ Weighted average number of ordinary shares outstanding, diluted $3.224,599$ $3.229,644$ $3.259,440$ $3.259,440$			(119,780)		
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Operating profit Other income (expenses): Investment income $491,098$ $607,129$ $555,013$ $81,311$ Other income (expenses): Investment income $103$ $83$ $76$ $11$ Interest income $103$ $83$ $76$ $11$ Interest income $35,560$ $29,746$ $30,785$ $4,510$ Other, net $(48,319)$ $(7,571)$ $(42,230)$ $(6,187)$ Net income before tax $478,442$ $629,387$ $543,644$ $79,645$ Income tax $(61,739)$ $(71,194)$ $(94,515)$ $(13,847)$ Net income after tax $416,703$ $558,193$ $449,129$ $65,798$ Net loss attributable to noncontrolling interests $18$ $13,574$ $3,129$ $458$ Net income attributable to the Company's shareholders $416,721$ $571,767$ $452,258$ $66,256$ Earnings per share, basic $0.13$ $0.18$ $0.14$ $0.02$ Earnings per ADS, basic $3.225$ $4.42$ $3.49$ $0.51$ Earnings per ADS, diluted $3.23$ $4.39$ $3.47$ $0.51$ Weighted average number of ordinary shares outstanding, basic $3,207,760$ $3,237,488$ $3,239,858$ $3,239,858$ Weighted average number of ordinary shares outstanding, diluted $3,224,599$ $3,259,644$ $3,259,490$ $3,259,490$					
Other income (expenses): Investment income103837611Interest income $35,560$ $29,746$ $30,785$ $4,510$ Other, net $(48,319)$ $(7,571)$ $(42,230)$ $(6,187)$ Net income before tax $478,442$ $629,387$ $543,644$ $79,645$ Income tax $(61,739)$ $(71,194)$ $(94,515)$ $(13,847)$ Net income after tax $416,703$ $558,193$ $449,129$ $65,798$ Net loss attributable to noncontrolling interests $118$ $13,574$ $3,129$ $458$ Net income attributable to the Company's shareholders $416,721$ $571,767$ $452,258$ $66,256$ Earnings per share, basic $0.13$ $0.18$ $0.14$ $0.02$ Earnings per share, diluted $0.13$ $0.18$ $0.14$ $0.02$ Earnings per share, diluted $3.23$ $4.39$ $3.47$ $0.51$ Weighted average number of ordinary shares outstanding, basic $3,207,760$ $3,237,488$ $3,239,858$ $3,239,858$ Weighted average number of ordinary shares outstanding, basic $129,590$ $129,594$ $129,594$ $129,594$ Weighted average number of ordinary shares outstanding, diluted $3,224,599$ $3,229,644$ $3,259,490$ $3,259,490$	Total operating expenses	(150,596)	(236,993)	(225,687)	(33,065)
Investment income103837611Interest income $35,560$ $29,746$ $30,785$ $4,510$ Other, net $(48,319)$ $(7,571)$ $(42,230)$ $(6,187)$ Net income before tax $478,442$ $629,387$ $543,644$ $79,645$ Income tax $(61,739)$ $(71,194)$ $(94,515)$ $(13,847)$ Net income after tax $416,703$ $558,193$ $449,129$ $65,798$ Net income after tax $416,703$ $558,193$ $449,129$ $65,798$ Net income attributable to noncontrolling interests $118$ $13,574$ $3,129$ Net income attributable to the Company's shareholders $416,721$ $571,767$ $452,258$ Earnings per share, basic $0.13$ $0.18$ $0.14$ $0.02$ Earnings per share, diluted $0.13$ $0.18$ $0.14$ $0.02$ Earnings per share, diluted $3.23$ $4.39$ $3.47$ $0.51$ Weighted average number of ordinary shares outstanding, basic $3,207,760$ $3,237,488$ $3,239,858$ $3,239,858$ Weighted average number of ordinary shares outstanding, basic $129,590$ $129,594$ $129,594$ $129,594$ Weighted average number of ordinary shares outstanding, diluted $3,224,599$ $3,229,644$ $3,259,490$ $3,259,490$		491,098	607,129	555,013	81,311
Interest income $35,560$ $29,746$ $30,785$ $4,510$ Other, net $(48,319)$ $(7,571)$ $(42,230)$ $(6,187)$ Net income before tax $478,442$ $629,387$ $543,644$ $79,645$ Income tax $(61,739)$ $(71,194)$ $(94,515)$ $(13,847)$ Net income after tax $416,703$ $558,193$ $449,129$ $65,798$ Net loss attributable to noncontrolling interests $18$ $13,574$ $3,129$ $458$ Net income after tax $0.13$ $0.18$ $0.14$ $0.02$ Earnings per share, basic $0.13$ $0.18$ $0.14$ $0.02$ Earnings per share, diluted $0.13$ $0.18$ $0.14$ $0.02$ Earnings per ADS, basic $3.225$ $4.42$ $3.49$ $0.51$ Earnings per ADS, diluted $0.13$ $0.18$ $0.14$ $0.02$ Earnings per ADS, diluted $3.23$ $4.39$ $3.47$ $0.51$ Weighted average number of ordinary shares outstanding, basic $3,207,760$ $3,237,488$ $3,239,858$ $3,239,858$ Weighted average number of ordinary shares outstanding, diluted $3,224,599$ $3,259,604$ $3,259,490$ $3,259,490$ Weighted average number of ordinary shares outstanding, diluted $3,224,599$ $3,259,644$ $3,259,490$ $3,259,490$		103	83	76	11
Net income before tax $478,442$ $629,387$ $543,644$ $79,645$ Income tax $(61,739)$ $(71,194)$ $(94,515)$ $(13,847)$ Net income after tax $416,703$ $558,193$ $449,129$ $65,798$ Net ioss attributable to noncontrolling interests $18$ $13,574$ $3,129$ $458$ Net income attributable to the Company's shareholders $416,721$ $571,767$ $452,258$ $66,256$ Earnings per share, basic $0.13$ $0.18$ $0.14$ $0.02$ Earnings per share, diluted $0.13$ $0.18$ $0.14$ $0.02$ Earnings per ADS, basic $3.23$ $4.39$ $3.47$ $0.51$ Earnings per ADS, diluted $0.13$ $0.18$ $0.14$ $0.02$ Earnings per ADS, diluted $3.23$ $4.39$ $3.47$ $0.51$ Weighted average number of ordinary shares outstanding, basic $3,207,760$ $3,237,488$ $3,239,858$ $3,239,858$ Weighted average number of ordinary shares outstanding, diluted $3,224,599$ $3,259,644$ $3,259,490$ $3,259,490$					
Income tax $(61,739)$ $(71,194)$ $(94,515)$ $(13,847)$ Net income after tax416,703558,193449,12965,798Net loss attributable to noncontrolling interests1813,5743,129458Net income attributable to the Company's shareholders416,721 $571,767$ 452,25866,256Earnings per share, basic0.130.180.140.02Earnings per ADS, basic3.254.423.490.51Earnings per share, diluted0.130.180.140.02Earnings per ADS, diluted3.234.393.470.51Weighted average number of ordinary shares outstanding, basic3,207,7603,237,4883,239,8583,239,858Weighted average number of ordinary shares outstanding, diluted3,224,5993,259,6443,259,4903,259,490Weighted average number of ordinary shares outstanding, diluted3,224,5993,259,6443,259,4903,259,490	Other, net	(48,319)	(7,571)	(42,230)	(6,187)
Net income after tax $416,703$ $558,193$ $449,129$ $65,798$ Net loss attributable to noncontrolling interests $18$ $13,574$ $3,129$ $458$ Net income attributable to the Company's shareholders $416,721$ $571,767$ $452,258$ $66,256$ Earnings per share, basic $0.13$ $0.18$ $0.14$ $0.02$ Earnings per ADS, basic $3.25$ $4.42$ $3.49$ $0.51$ Earnings per share, diluted $0.13$ $0.18$ $0.14$ $0.02$ Earnings per share, diluted $3.23$ $4.39$ $3.47$ $0.51$ Weighted average number of ordinary shares outstanding, basic $3,207,760$ $3,237,488$ $3,239,858$ $3,239,858$ Weighted average number of ordinary shares outstanding, basic $128,310$ $129,500$ $129,594$ $129,594$ Weighted average number of ordinary shares outstanding, diluted $3,224,599$ $3,259,644$ $3,259,490$ $3,259,490$	Net income before tax	478,442	629,387	543,644	79,645
Net loss attributable to noncontrolling interests1813,5743,129458Net income attributable to the Company's shareholders416,721 $571,767$ 452,25866,256Earnings per share, basic0.130.180.140.02Earnings per ADS, basic3.254.423.490.51Earnings per share, diluted0.130.180.140.02Earnings per ADS, diluted3.234.393.470.51Weighted average number of ordinary shares outstanding, basic3,207,7603,237,4883,239,8583,239,858Weighted average number of ADS outstanding, basic128,310129,500129,594129,594Weighted average number of ordinary shares outstanding, diluted3,224,5993,259,6443,259,4903,259,490	Income tax	(61,739)	(71,194)	(94,515)	(13,847)
Net income attributable to the Company's shareholders   416,721   571,767   452,258   66,256     Earnings per share, basic   0.13   0.18   0.14   0.02     Earnings per ADS, basic   3.25   4.42   3.49   0.51     Earnings per share, diluted   0.13   0.18   0.14   0.02     Earnings per ADS, basic   3.25   4.42   3.49   0.51     Earnings per share, diluted   0.13   0.18   0.14   0.02     Earnings per ADS, diluted   3.23   4.39   3.47   0.51     Weighted average number of ordinary shares outstanding, basic   3,207,760   3,237,488   3,239,858   3,239,858     Weighted average number of ADS outstanding, basic   128,310   129,500   129,594   129,594     Weighted average number of ordinary shares outstanding, diluted   3,224,599   3,259,644   3,259,490   3,259,490			· · · ·	· · · · ·	· · · · ·
Earnings per share, basic 0.13 0.18 0.14 0.02   Earnings per ADS, basic 3.25 4.42 3.49 0.51   Earnings per share, diluted 0.13 0.18 0.14 0.02   Earnings per share, diluted 0.13 0.18 0.14 0.02   Earnings per ADS, diluted 3.23 4.39 3.47 0.51   Weighted average number of ordinary shares outstanding, basic 3,207,760 3,237,488 3,239,858 3,239,858   Weighted average number of ADS outstanding, basic 128,310 129,500 129,594 129,594   Weighted average number of ordinary shares outstanding, diluted 3,224,599 3,259,644 3,259,490 3,259,490					
Earnings per ADS, basic 3.25 4.42 3.49 0.51   Earnings per ADS, diluted 0.13 0.18 0.14 0.02   Earnings per ADS, diluted 3.23 4.39 3.47 0.51   Weighted average number of ordinary shares outstanding, basic 3,207,760 3,237,488 3,239,858 3,239,858   Weighted average number of ADS outstanding, basic 128,310 129,500 129,594 129,594   Weighted average number of ordinary shares outstanding, diluted 3,224,599 3,259,644 3,259,490 3,259,490	Net income attributable to the Company's shareholders	416,721	571,767	452,258	66,256
Earnings per share, diluted   0.13   0.18   0.14   0.02     Earnings per ADS, diluted   3.23   4.39   3.47   0.51     Weighted average number of ordinary shares outstanding, basic   3,207,760   3,237,488   3,239,858   3,239,858     Weighted average number of ADS outstanding, basic   128,310   129,500   129,594   129,594     Weighted average number of ordinary shares outstanding, diluted   3,224,599   3,259,644   3,259,490   3,259,490	Earnings per share, basic	0.13	0.18	0.14	0.02
Earnings per ADS, diluted   3.23   4.39   3.47   0.51     Weighted average number of ordinary shares outstanding, basic   3,207,760   3,237,488   3,239,858   3,239,858     Weighted average number of ADS outstanding, basic   128,310   129,500   129,594   129,594     Weighted average number of ordinary shares outstanding, diluted   3,224,599   3,259,644   3,259,490   3,259,490	Earnings per ADS, basic	3.25	4.42	3.49	0.51
Weighted average number of ordinary shares outstanding, basic3,207,7603,237,4883,239,8583,239,858Weighted average number of ADS outstanding, basic128,310129,500129,594129,594Weighted average number of ordinary shares outstanding, diluted3,224,5993,259,6443,259,4903,259,490	Earnings per share, diluted	0.13	0.18	0.14	0.02
Weighted average number of ADS outstanding, basic128,310129,500129,594Weighted average number of ordinary shares outstanding, diluted3,224,5993,259,6443,259,490	Earnings per ADS, diluted	3.23	4.39	3.47	0.51
Weighted average number of ordinary shares outstanding, diluted3,224,5993,259,6443,259,4903,259,490	Weighted average number of ordinary shares outstanding, basic	3,207,760	3,237,488	3,239,858	3,239,858
	Weighted average number of ADS outstanding, basic	128,310	129,500	129,594	129,594
Weighted average number of ADS outstanding, diluted128,984130,386130,380	Weighted average number of ordinary shares outstanding, diluted	3,224,599	3,259,644	3,259,490	3,259,490
	Weighted average number of ADS outstanding, diluted	128,984	130,386	130,380	130,380



### NETEASE.COM, INC. UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS (RMB and USD in thousands)

	Quarter Ended			
	March 31,	December 31,	March 31,	March 31,
	2009	2009	2010	2010
	RMB	RMB	RMB	USD (Note 1)
Cash flows from operating activities:				
Net income	416,703	558,193	449,129	65,798
Adjustments to reconcile net profit to net cash				
provided by operating activities:				
Depreciation and amortization	21,979	58,657	58,839	8,620
Share-based compensation cost	10,815	5,774	5,861	859
Allowance for (reversal of) provision for doubtful debts	6,135	1,508	(9,361)	(1,371)
Loss on disposal of property, equipment				
and software	17	667	10,538	1,544
Unrealized exchange losses	47,547	13,305	50,301	7,369
Net equity share of loss (profit) from associated companies	1,051	(168)	132	19
Changes in operating assets and liabilities:				
Accounts receivable	111,878	(71,358)	53,622	7,856
Prepayments and other current assets	(31,374)	(116,969)	110,172	16,142
Deferred tax assets	(17,350)	(16,698)	11,949	1,750
Accounts payable	(35,769)	65,450	(109,712)	(16,073)
Salary and welfare payables	(37,516)	65,651	(40,940)	(5,998)
Taxes payable	29,203	51,631	(20,875)	(3,058)
Deferred revenue	7,047	16,959	73,145	10,716
Accrued liabilities and other payables	37,418	79,764	33,730	4,942
Net cash provided by operating activities	567,784	712,366	676,530	99,115
Cash flows from investing activities:				
Purchase of property, equipment and software	(23,031)	(54,091)	(60,135)	(8,810)
Proceeds from sale of property, equipment and software	(25,051)	(34,091)	(00,155)	(0,010)
Transfer from/(to) restricted cash	(82,000)	(41,863)	91,864	13,458
Net change in time deposits with terms	(02,000)	(41,005)	71,004	15,450
of three months	913,789	(39,622)	(76,782)	(11,249)
Placement/rollover of matured time deposits	(2,099,024)	(2,646,827)	(2,771,650)	(406,055)
Uplift of matured time deposits	718,163	1,752,281	2,540,391	372,175
Net change in other assets	(634)	50	(1,977)	(290)
Net cash used in investing activities	(572,721)	(1,030,062)	(278,289)	(40,771)
Not eash ased in investing activities	(0, 2, , 21)	(1,000,002)	(270,207)	(10,771)
Cash flows from financing activities:				
Capital contribution from noncontrolling interests	2,525	16	-	-
Proceeds from employees exercising stock options	_	2,965	5,182	759
Net cash provided by financing activities	2,525	2,981	5,182	759
Effect of analyzing rate showard on each hold in				
Effect of exchange rate changes on cash held in	1 201	(200)	(1,(09))	(220)
foreign currencies	1,201	(300)	(1,608)	(236)
Net increase (decrease) in cash	(1,211)	(315,015)	401,815	58,867
Cash, beginning of the period	793,408	1,356,305	1,041,290	152,552
Cash, end of the period	792,197	1,041,290	1,443,105	211,419
Supplemental disclosures of cash flow information:				
Cash paid for income tax, net of tax refund	45,080	80,044	62,264	9,122
Supplemental schedule of non-cash investing and	,		,	- ,
financing activities:				
Fixed asset purchases financed by accounts payable				
and accrued liabilities	35,955	47,427	39,625	5,805
	55,755	- <i>1</i> ,1 <i>1</i> ,1	57,025	5,005



### NETEASE.COM, INC. UNAUDITED SEGMENT INFORMATION (RMB and USD in thousands)

	Quarter Ended			
	March 31, 2009	December 31, 2009	March 31, 2010	March 31, 2010
	RMB	RMB	RMB	USD (Note 1)
Revenues:				
Online game services	724,024	1,088,041	1,085,322	159,003
Advertising services	41,030	183,679	91,548	13,412
Wireless value-added services and others	16,641	18,480	18,060	2,646
Total revenues	781,695	1,290,200	1,194,930	175,061
Business taxes:				
Online game services	(1,457)	(22,466)	(21,108)	(3,092)
Advertising services	(4,162)	(17,574)	(8,979)	(1,315)
Wireless value-added services and others	(153)	(251)	(355)	(52)
Total business taxes	(5,772)	(40,291)	(30,442)	(4,459)
Net revenues:				
Online game services	722,567	1,065,575	1,064,214	155,911
Advertising services	36,868	166,105	82,569	12,097
Wireless value-added services and others	16,488	18,229	17,705	2,594
Total net revenues	775,923	1,249,909	1,164,488	170,602
Cost of revenues:				
Online game services	(72,364)	(311,402)	(296,436)	(43,430)
Advertising services	(41,708)	(69,143)	(63,626)	(9,321)
Wireless value-added services and others	(20,157)	(25,242)	(23,726)	(3,475)
Total cost of revenues	(134,229)	(405,787)	(383,788)	(56,226)
Gross profit (loss):				
Online game services	650,203	754,173	767,778	112,481
Advertising services	(4,840)	96,962	18,943	2,776
Wireless value-added services and others	(3,669)	(7,013)	(6,021)	(881)
Total gross profit	641,694	844,122	780,700	114,376
Gross profit (loss) margin:				
Online game services	90.0%	70.8%	72.1%	72.1%
Advertising services	(13.1%)	58.4%	22.9%	22.9%
Wireless value-added services and others	(22.3%)	(38.5%)	(34.0%)	(34.0%)



# NETEASE.COM, INC. NOTES TO UNAUDITED FINANCIAL INFORMATION

Note 1: The conversion of Renminbi (RMB) into United States dollars (USD) is based on the noon buying rate of USD1.00 = RMB6.8258 on March 31, 2010 as set forth in the H.10 statistical release of the U.S. Federal Reserve Board.

Note 2: Share-based compensation cost reported in the Company's unaudited condensed consolidated statements of operations is set out as follows in RMB and USD (in thousands):

	Quarter Ended			
	March 31, 2009	December 31, 2009	March 31, 2010	March 31, 2010
	RMB	RMB	RMB	USD (Note 1)
Share-based compensation cost included in:				
Cost of revenue	2,872	1,811	1,670	245
Operating expenses				
- Selling and marketing expenses	952	342	320	47
- General and administrative expenses	3,810	1,607	1,823	267
- Research and development expenses	3,181	2,014	2,048	300