

NETEASE.COM, INC.			
UNAUDITED CONDENSED CONSOLIDATED BALANCE SHEETS			
	December 31, 2007	December 31, 2008	December 31, 2008
	RMB	RMB	USD (Note 1)
Assets			
Current assets:			
Cash	2,482,820,821	793,407,922	116,292,843
Time deposits	1,675,813,944	4,820,000,100	706,485,907
Accounts receivable, net	166,727,514	231,030,576	33,863,038
Prepayments and other current assets	45,143,728	104,092,051	15,257,172
Deferred tax assets	65,787,113	25,248,842	3,700,820
Total current assets	4,436,293,120	5,973,779,491	875,599,780
Non-current assets:			
Non-current rental deposits	3,033,171	3,443,249	504,690
Property, equipment and software, net	183,471,666	258,787,534	37,931,482
Land use right, net	26,956,800	12,563,485	1,841,478
Prepayment for license right	-	27,463,600	4,025,445
Deferred tax assets	19,060,225	12,444,636	1,824,058
Other long-term assets	16,844,399	57,411,308	8,414,996
Total non-current assets	249,366,261	372,113,812	54,542,149
Total assets	4,685,659,381	6,345,893,303	930,141,929
Liabilities and Shareholders' Equity			
Current liabilities:			
Zero-coupon convertible subordinated notes due July 15, 2023	641,778,908	-	-
Accounts payable	89,143,868	119,829,878	17,563,925
Salary and welfare payables	68,653,742	94,922,963	13,913,223
Taxes payable	92,438,670	104,754,356	15,354,248
Deferred revenue	354,966,697	447,725,795	65,624,888
Accrued liabilities	29,844,067	61,815,070	9,060,472
Total current liabilities	1,276,825,952	829,048,062	121,516,756
Long-term payable:			
Other long-term payable	10,200,000	200,000	29,315
Total long-term payable	10,200,000	200,000	29,315
Total liabilities	1,287,025,952	829,248,062	121,546,071
Shareholders' equity	3,398,425,631	5,516,435,976	808,565,185
Minority interests	207,798	209,265	30,673
Total liabilities and shareholders' equity	4,685,659,381	6,345,893,303	930,141,929
The accompanying notes are an integral part of this press release.			

NETEASE.COM, INC.								
UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS								
	Quarter Ended				Year Ended			
	December 31,	September 30,	December 31,	December 31,	December 31,	December 31,	December 31,	
	2007	2008	2008	2008	2007	2008	2008	
	RMB	RMB	RMB	USD (Note 1)	RMB	RMB	USD (Note 1)	
Revenues:								
Online game services	506,968,240	675,127,723	672,491,424	98,569,648	1,932,634,947	2,498,518,103	366,217,384	
Advertising services	98,055,630	113,005,479	111,800,172	16,386,980	305,057,556	405,887,007	59,492,416	
Wireless value-added services and others	17,026,320	18,477,994	17,424,193	2,553,931	68,018,461	71,718,938	10,512,120	
Total revenues	622,050,190	806,611,196	801,715,789	117,510,559	2,305,710,964	2,976,124,048	436,221,920	
Business taxes	(25,761,100)	(10,641,607)	(10,509,954)	(1,540,484)	(92,424,200)	108,460,101	15,897,413	
Total net revenues	596,289,090	795,969,589	791,205,835	115,970,075	2,213,286,764	3,084,584,149	452,119,333	
Total cost of revenues	(108,270,695)	(164,696,351)	(152,249,013)	(22,315,722)	(415,453,046)	(559,605,362)	(82,023,505)	
Gross profit	488,018,395	631,273,238	638,956,822	93,654,353	1,797,833,718	2,524,978,787	370,095,828	
Operating expenses:								
Selling and marketing expenses	(59,767,163)	(62,505,815)	(67,395,203)	(9,878,373)	(235,318,304)	(221,551,138)	(32,473,600)	
General and administrative expenses	(44,341,316)	(48,810,235)	(45,760,016)	(6,707,221)	(176,178,740)	(181,841,322)	(26,653,180)	
Research and development expenses	(48,724,456)	(53,322,288)	(55,308,137)	(8,106,726)	(180,734,713)	(207,023,649)	(30,344,250)	
Total operating expenses	(152,832,935)	(164,638,338)	(168,463,356)	(24,692,320)	(592,231,757)	(610,416,109)	(89,471,030)	
Operating profit	335,185,460	466,634,900	470,493,466	68,962,033	1,205,601,961	1,914,562,678	280,624,798	
Other income (expenses):								
Investment income	114,007	1,202,091	90,615	13,282	474,446	1,517,890	222,483	
Interest income	31,733,301	39,704,670	42,787,380	6,271,510	112,599,994	144,805,368	21,224,678	
Other, net	(30,144,109)	(68,543,630)	(17,387,729)	(2,548,586)	(51,975,334)	(163,549,591)	(23,972,092)	
Profit before tax	336,888,659	438,998,031	495,983,732	72,698,239	1,266,701,067	1,897,336,345	278,099,867	
Income tax	52,868,775	(125,687,666)	79,850,979	11,704,064	(2,689,309)	(300,673,321)	(44,070,842)	
Profit after tax	389,757,434	313,310,365	575,834,711	84,402,303	1,264,011,758	1,596,663,024	234,029,025	
Minority interests	74,364	2,235	19,020	2,788	74,364	24,883	3,647	
Net profit	389,831,798	313,312,600	575,853,731	84,405,091	1,264,086,122	1,596,687,907	234,032,672	
Earnings per share, basic	0.13	0.10	0.18	0.03	0.41	0.51	0.07	
Earnings per ADS, basic	3.21	2.45	4.49	0.66	10.24	12.81	1.88	
Earnings per share, diluted	0.12	0.10	0.18	0.03	0.38	0.49	0.07	
Earnings per ADS, diluted	3.01	2.42	4.46	0.65	9.55	12.34	1.81	
Weighted average number of ordinary shares outstanding, basic	3,033,153,746	3,199,978,057	3,209,693,009	3,209,693,009	3,086,451,412	3,117,117,306	3,117,117,306	
Weighted average number of ADS outstanding, basic	121,326,150	127,999,122	128,387,720	128,387,720	123,458,056	124,684,692	124,684,692	
Weighted average number of ordinary shares outstanding, diluted	3,240,836,099	3,240,451,297	3,227,031,848	3,227,031,848	3,307,538,379	3,234,214,324	3,234,214,324	
Weighted average number of ADS outstanding, diluted	129,633,444	129,618,052	129,081,274	129,081,274	132,301,535	129,368,573	129,368,573	

The accompanying notes are an integral part of this press release.

NETEASE.COM, INC.							
UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS							
	Quarter Ended				Year Ended		
	December 31,	September 30,	December 31,	December 31,	December 31,	December 31,	December 31,
	2007	2008	2008	2008	2007	2008	2008
	RMB	RMB	RMB	USD (Note 1)	RMB	RMB	USD (Note 1)
Cash flows from operating activities:							
Net profit	389,831,798	313,312,600	575,853,731	84,405,091	1,264,086,122	1,596,687,907	234,032,672
Adjustments to reconcile net profit to net cash provided by operating activities:							
Depreciation and amortization	26,752,268	22,478,837	21,214,759	3,109,529	99,110,799	90,962,041	13,332,655
Share-based compensation cost	22,060,172	16,117,448	11,712,364	1,716,726	95,428,175	67,948,661	9,959,496
Allowance/(reversal) of provision for doubtful debts	(228,892)	9,458,347	1,768,291	259,185	(5,334,898)	8,604,654	1,261,217
(Gain)/Loss on disposal of property, equipment and software	38,711	581,041	(192,511)	(28,217)	830,169	316,916	46,452
Unrealized exchange losses	30,229,825	68,605,629	21,131,801	3,097,369	50,891,094	166,712,075	24,435,628
Share of loss by minority interests	(74,364)	(2,235)	(19,021)	(2,788)	(74,364)	(24,884)	(3,647)
Net equity share of loss (gain) from an associated company	351,101	1,268,384	(113,653)	(16,659)	551,042	2,028,154	297,274
Others	-	(7,292)	(9,014)	(1,321)	278,322	(16,306)	(2,390)
Changes in operating assets and liabilities:							
Accounts receivable	(28,797,530)	(33,769,360)	(14,699,446)	(2,154,554)	(29,756,151)	(72,907,716)	(10,686,364)
Prepayments and other current assets	19,140,543	(6,234,669)	(37,373,231)	(5,477,938)	(16,535,099)	(52,387,633)	(7,678,657)
Deferred tax assets	(45,969,165)	24,151,981	4,597,642	673,894	(40,112,645)	40,538,271	5,941,850
Deferred tax assets - non-current	(11,939,153)	347,875	6,364,324	932,843	(13,557,864)	6,615,589	969,672
Accounts payable	4,839,436	57,055,571	(39,605,453)	(5,805,123)	945,594	32,756,625	4,801,264
Salary and welfare payables	25,160,475	(12,943,811)	41,161,456	6,033,193	13,216,566	26,269,221	3,850,381
Taxes payable	11,798,902	(1,129,914)	(73,972,379)	(10,842,415)	(2,750,313)	12,315,686	1,805,157
Deferred revenue	(14,094,607)	37,929,704	3,858,634	565,575	(30,754,023)	92,759,098	13,596,057
Deferred tax liabilities	-	-	-	-	(3,391,754)	-	-
Accrued liabilities	(2,499,785)	(1,709,862)	(7,672,623)	(1,124,606)	(3,168,330)	(1,379,171)	(202,150)
Net cash provided by operating activities	426,599,735	495,510,274	514,005,671	75,339,784	1,379,902,442	2,017,799,188	295,756,567
Cash flows from investing activities:							
Purchase of property, equipment and software	(13,885,112)	(49,664,942)	(47,987,508)	(7,033,713)	(71,515,551)	(133,329,185)	(19,542,570)
Proceeds from sale of property, equipment and software	25,434	150,070	11,603	1,701	55,675	280,714	41,145
Prepayment for land use right	-	-	-	-	(26,956,800)	(822,182)	(120,510)
Incentive received on land use right	-	-	-	-	-	15,000,000	2,198,608
Prepayment for license right	-	(27,463,600)	-	-	-	(27,463,600)	(4,025,445)
Prepayment for royalties	-	-	(13,687,749)	(2,006,266)	-	(13,687,749)	(2,006,266)
Investment in an associated company	-	(31,000,000)	(2,559,525)	(375,159)	(2,500,000)	(33,559,525)	(4,918,948)
Net cash paid upon closure of VIE	-	-	-	-	(1,217,831)	-	-
Transfer from restricted cash	761,580,600	-	-	-	-	-	-
Net change in time deposits with terms of three months	(246,295,721)	(932,958,372)	974,552,227	142,843,859	160,300,370	(520,970,208)	(76,360,602)
Placement/rollover of matured time deposits	(270,000,000)	(1,290,712,014)	(1,817,119,582)	(266,342,189)	(636,577,729)	(3,732,114,167)	(547,030,292)
Uplift of matured time deposits	655,105,518	445,500,062	290,674,696	42,605,305	1,530,798,027	1,042,752,487	152,840,233
Net change in other assets	(89,786)	668,111	(5,682,050)	(832,840)	(87,737)	(5,344,734)	(783,398)
Net cash provided by (used in) investing activities	886,440,933	(1,885,480,685)	(621,797,888)	(91,139,302)	952,298,424	(3,409,258,149)	(499,708,045)
Cash flows from financing activities:							
Capital contribution from minority shareholders	282,162	2,710	23,641	3,465	282,162	26,351	3,862
Proceeds from employees exercising stock options	1,618,804	16,009,885	1,426,708	209,118	43,232,921	18,407,235	2,698,019
Repurchase of company shares	(36,478,319)	(424,438)	(88,868,640)	(13,025,818)	(1,003,747,328)	(165,726,730)	(24,291,203)
Payment of other long-term payable	-	(10,000,000)	-	-	(177,256)	(10,000,000)	(1,465,738)
Net cash (used in) financing activities	(34,577,353)	5,588,157	(87,418,291)	(12,813,235)	(960,409,501)	(157,293,144)	(23,055,060)
Effect of exchange rate changes on cash held in foreign currencies	(1,064,010)	(29,719,910)	3,579,775	524,701	(95,447,070)	(140,660,794)	(20,617,192)
Net increase (decrease) in cash	1,277,399,305	(1,414,102,164)	(191,630,733)	(28,088,052)	1,276,344,295	(1,689,412,899)	(247,623,730)
Cash, beginning of the quarter	1,205,421,516	2,399,140,819	985,038,655	144,380,895	1,206,476,526	2,482,820,821	363,916,573
Cash, end of the quarter	2,482,820,821	985,038,655	793,407,922	116,292,843	2,482,820,821	793,407,922	116,292,843
Supplemental disclosures of cash flow information:							
(Net tax refund)/cash paid for income tax, net of tax	(9,165,960)	83,231,216	16,023,949	2,348,692	71,797,010	250,080,776	36,655,299
Supplemental schedule of non-cash investing and financing activities:							
Treasury stock cancellation	121,821,189	-	89,293,078	13,088,029	1,192,549,427	165,726,730	24,291,203
Fixed asset purchases financed by accounts payable	6,112,886	24,305,244	37,302,324	5,467,545	6,112,886	37,302,324	5,467,545
Conversion of convertible notes to ordinary shares	-	433,664,691	-	-	92,424,750	602,041,878	88,243,588
The accompanying notes are an integral part of this press release.							

NETEASE.COM, INC.							
UNAUDITED SEGMENT INFORMATION							
	Quarter Ended				Year Ended		
	December 31,	September 30,	December 31,	December 31,	December 31,	December 31,	December 31,
	2007	2008	2008	2008	2007	2008	2008
	RMB	RMB	RMB	USD (Note 1)	RMB	RMB	USD (Note 1)
Revenues:							
Online game services	506,968,240	675,127,723	672,491,424	98,569,648	1,932,634,947	2,498,518,103	366,217,384
Advertising services	98,055,630	113,005,479	111,800,172	16,386,980	305,057,556	405,887,007	59,492,416
Wireless value-added services and others	17,026,320	18,477,994	17,424,193	2,553,931	68,018,461	71,718,938	10,512,120
Total revenues	622,050,190	806,611,196	801,715,789	117,510,559	2,305,710,964	2,976,124,048	436,221,920
Business taxes:							
Online game services	(16,729,952)	(849,228)	(892,846)	(130,868)	(63,776,953)	130,666,281	19,152,258
Advertising services	(8,334,729)	(9,605,466)	(9,502,935)	(1,392,882)	(25,929,892)	(34,500,316)	(5,056,844)
Wireless value-added services and others	(696,419)	(186,913)	(114,173)	(16,734)	(2,717,355)	12,294,136	1,801,999
Total business taxes	(25,761,100)	(10,641,607)	(10,509,954)	(1,540,484)	(92,424,200)	108,460,101	15,897,413
Net revenues:							
Online game services	490,238,288	674,278,495	671,598,578	98,438,780	1,868,857,994	2,629,184,384	385,369,642
Advertising services	89,720,901	103,400,013	102,297,237	14,994,098	279,127,664	371,386,691	54,435,572
Wireless value-added services and others	16,329,901	18,291,081	17,310,020	2,537,197	65,301,106	84,013,074	12,314,119
Total net revenues	596,289,090	795,969,589	791,205,835	115,970,075	2,213,286,764	3,084,584,149	452,119,333
Cost of revenues:							
Online game services	(45,658,298)	(69,658,107)	(80,640,289)	(11,819,757)	(187,411,229)	(268,574,306)	(39,365,966)
Advertising services	(43,104,579)	(75,569,816)	(49,984,535)	(7,326,425)	(143,676,057)	(208,907,875)	(30,620,429)
Wireless value-added services and others	(19,507,818)	(19,468,428)	(21,624,189)	(3,169,540)	(84,365,760)	(82,123,181)	(12,037,110)
Total cost of revenues	(108,270,695)	(164,696,351)	(152,249,013)	(22,315,722)	(415,453,046)	(559,605,362)	(82,023,505)
Gross profit (loss):							
Online game services	444,579,990	604,620,388	590,958,289	86,619,023	1,681,446,765	2,360,610,078	346,003,676
Advertising services	46,616,322	27,830,197	52,312,702	7,667,673	135,451,607	162,478,816	23,815,143
Wireless value-added services and others	(3,177,917)	(1,177,347)	(4,314,169)	(632,343)	(19,064,654)	1,889,893	277,009
Total gross profit	488,018,395	631,273,238	638,956,822	93,654,353	1,797,833,718	2,524,978,787	370,095,828
Gross profit (loss) margin:							
Online game services	90.7%	89.7%	88.0%	88.0%	90.0%	89.8%	89.8%
Advertising services	52.0%	26.9%	51.1%	51.1%	48.5%	43.7%	43.7%
Wireless value-added services and others	(19.5%)	(6.4%)	(24.9%)	(24.9%)	(29.2%)	2.2%	2.2%
The accompanying notes are an integral part of this press release.							

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 = RMB6.8225 on December 31, 2008 in The City of New York for cable transfers of Renminbi as certified for customs purposes by the Federal Reserve Bank of New York.

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

	Quarter Ended				Year Ended		
	December 31,	September 30,	December 31,	December 31,	December 31,	December 31,	December 31,
	2007	2008	2008	2008	2007	2008	2008
	RMB	RMB	RMB	USD (Note 1)	RMB	RMB	USD (Note 1)
Share-based compensation cost included in:							
Cost of revenue	3,444,268	3,840,525	3,294,120	482,831	14,890,378	13,678,836	2,004,959
Operating expenses							
- Selling and marketing expenses	3,043,367	2,010,771	1,328,916	194,784	14,357,336	8,564,177	1,255,284
- General and administrative expenses	7,822,539	5,498,972	3,464,280	507,774	33,887,323	23,586,590	3,457,177
- Research and development expenses	7,749,998	4,767,180	3,625,048	531,337	32,293,138	22,119,058	3,242,075