Company Overview

NetEase, Inc. is a leading Internet technology company in China. Dedicated to providing online services centered around content, community, communication and commerce, NetEase develops and operates some of China's most popular PC-client and mobile games, and provides advertising services, e-mail services and e-commerce platforms. In partnership with Blizzard Entertainment®, Mojang AB (a Microsoft subsidiary) and other global game developers, NetEase also licenses some of the most popular international online games.

Founded by William Ding in 1997, NetEase's ADSs have been listed on the NASDAQ Global Select Market since June 30, 2000. As of September 30, 2016, NetEase had over 15,000 employees, with offices in Beijing, Shanghai, Hangzhou, Guangzhou, Hong Kong, Seoul, Tokyo, Frankfurt, Milan, San Francisco and Sydney.

For more information about NetEase, please visit http://ir.netease.com.

Investment Highlights

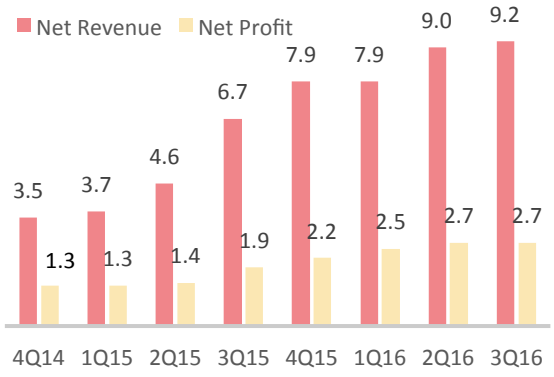
- Leading provider of self-developed PC-client and mobile games in China
- Partnered with Blizzard Entertainment® to operate their hit games in China
- Popular new mobile games driving growth
- Largest e-mail service provider in China
- One of China's most visited Internet portals
- Extensive mobile offerings support growth and diversification strategy
- Strong technology platform and diverse suite of products and online services
- Focused on technological innovation with industry-leading R&D capabilities

Market Information

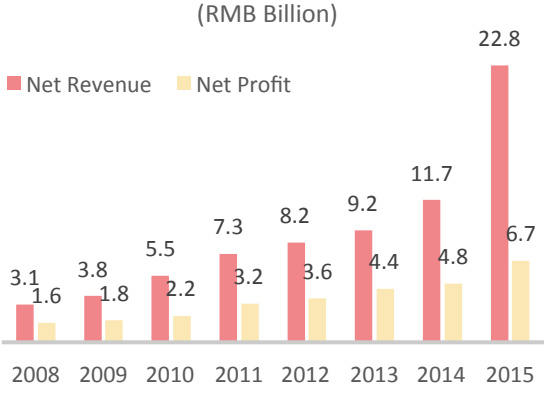
NASDAQ:	NTES
Share Price (11/08/16):	$ 248.96
52 Week Range:	$ 129.60 - $272.58
Market Cap (11/08/16):	$ 32.78 billion
ADS Outstanding (09/30/16)	132.2 million
3Q16 Earnings per ADS	US$3.11 (diluted)

Financial Overview

Quarterly net revenue and net profit
(RMB Billion)



Annual net revenue and net profit
(RMB Billion)



As of 09/30/16:

Cash, time deposits and short-term investments: US$4.8 billion

Cash, time deposits and short-term investments per ADS, diluted: US$36.38

This document contains statements regarding the Company's plans, expectations, market opportunity and business prospects that are individually and collectively forward-looking statements within the meaning of Section 27A of the Securities Act of 1934. These forward-looking statements are not guarantees of future performance and are subject to known and unknown risks, uncertainties and assumptions that are difficult to predict. Therefore, the Company's actual results, levels of activity, performance or achievements could differ materially and adversely from results expressed in or implied by this document. The Company assumes no obligation to update any forward-looking information contained in this document.

Online Games

NetEase is a leading provider of self-developed PC-client and mobile games to internet users in China

- *NetEase uses both time- and item-based revenue models and offers a variety of genres for its robust online games portfolio*
- *Focus on quality with timely expansion pack releases keeps games fresh and helps cultivate a strong player community*
- *Comprehensive upgrades of classic titles reignites existing players' interest and attracts new gamers*
- *New game additions expand and diversify the Company's online game offerings*
- *Utilizing strong R&D capabilities and extensive experience in game and mobile app development to produce quality mobile games*

Top PC-Client Games: *Fantasy Westward Journey Online, New Westward Journey Online II, New Ghost, Tianxia III, Revelation, Demon Seals, Heroes of Tang Dynasty Zero*

Top Mobile Games: *Onmyoji, Fantasy Westward Journey mobile, Ghost mobile, Westward Journey Online mobile, Tianxia mobile, Invincible, HIT, Kai-ri-sei Million Arthur, and Blizzard Entertainment's Hearthstone®: Heroes of Warcraft™*

Game Pipeline: *Heroes of Tang Dynasty Mobile, Demon Seals Mobile, Land of Glory, Westward Journey: Rage and series of new titles based on the best-selling novels by Mr. Gu Long*

Licensed Online Games from Blizzard Entertainment

- *Commercially launched World of Warcraft® in PRC in Sept 2009*
- *StarCraft® II: Heart of the Swarm™ launched in PRC in July 2013*
- *Launched free-to-play digital strategy card game Hearthstone® : Heroes of Warcraft™ in PRC in Jan 2014; mobile version launched in April 2015*
- *Open beta testing of Heroes of the Storm™ initiated in China in May 2015*
- *Initiated open beta testing in PRC of Diablo III®: Reaper of Souls™ in April 2015*
- *Launched Overwatch® in PRC on May 24, 2016, nearly 3 millions copies sold by the end of June 2016*

Internet Media

NetEase family of websites and mobile apps provide platforms for content channels, community services and online services. Together, these form a massive interactive marketing platform for NetEase's advertising clients.

- *www.163.com is one of China's most popular web portals, with strong user diversity, reach and stickiness*
- *Mobile News App is the top news app on iOS platforms*
- *NetEase Cloud Music ranks as one of the most popular music apps in China*
- *YiChat: A social instant messaging app formed in alliance with China Telecom*
- *Focus on enriching mobile platform services such as open education courses, e-reader, cloud music, online dictionary and cloud note-taking services*

E-mail, E-Commerce and Others

- ***Leading e-mail service provider in China***
- ***Kaola.com:*** *Cross-border E-commerce Platform*
- *NetEase Yan's: Private Label E-commerce Platform*
- *Duobao*
- *Online Video Live Broadcasting*
- *Insurance Products*
- *Precious Metal Trading*
- *Online Payment*
- *Wealth Management*

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