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NetEase Forms Strategic Partnership with Consumer Brand Leader Kao Group

Kao to Launch Flagship Store on Kaola.com

BEIJING, June 30, 2016 /PRNewswire/ -- NetEase, Inc. (NASDAQ: NTES) ("NetEase" or the "Company"), one of China's leading internet and online game services providers, announced its strategic partnership with Kao Group, one of the world's largest consumer products providers, to bring top quality Kao products to Chinese consumers. Under the partnership Kao Group will soon launch a flagship store on NetEase's cross-border e-commerce platform Kaola.com.

Kaola.com will now have the advantage of directly sourcing Kao Group's well-known product lines, including the bestselling *Merries* baby diapers. Kaola.com customers will enjoy worry-free shopping experience for a broad selection of products at competitive prices.

"We are very pleased to work with Kao Group, a renowned consumer product brand with the highest standards for quality," said Mr. William Ding, Chief Executive Officer and Director of NetEase. "This strategic partnership reflects the increasing prominence of Kaola.com, and our ability to attract and select the best businesses from around the world to serve our customers. We expect the addition of Kao Group to drive increased traffic and expand Kaola.com's customer base."

About NetEase, Inc.

NetEase, Inc. (NASDAQ: NTES) 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 online PC and mobile games, advertising services, email services and e-commerce platforms. In partnership with Blizzard Entertainment, NetEase operates some of the most popular international online games in China.

Forward Looking Statements

This press release contains statements of a forward-looking nature. These statements are made under the "safe harbor" provisions of the U.S. Private Securities Litigation Reform Act of 1995. You can identify these forward-looking statements by terminology such as "will," "expects," "anticipates," "future," "intends," "plans," "believes," "estimates" and similar statements. The accuracy of these statements may be impacted by a number of business risks and uncertainties that could cause actual results to differ materially from those projected or anticipated, including risks related to: the risk that changes in Chinese government regulation of the online game market and the market for NetEase's e-commerce services may limit future growth of NetEase's revenues or cause revenues to decline; competition in the online advertising business and the risk that investments by NetEase in its content and services may not increase the appeal of the NetEase websites among internet users or result in increased advertising revenues; the risk that NetEase may not be able to continuously develop new and creative online services, including its ability to maintain and enhance the popularity of its e-mail, mobile and e-commerce services and develop attractive mobile games; the risk that NetEase will not be able to control its expenses in future periods; competition in NetEase's existing and potential markets; governmental uncertainties (including possible changes in the effective tax rates applicable to NetEase and its subsidiaries and affiliates and the ability of NetEase to receive and maintain approvals of the preferential tax treatments and general competition and price pressures in the marketplace); the risk that fluctuations in the value of the Renminbi with respect to other currencies could adversely affect NetEase's business and financial results; and other risks outlined in NetEase's filings with the Securities and Exchange Commission. NetEase does not undertake any obligation to update this forward-looking information, except as required under the applicable law.