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**NetEase Participates in Series B Funding of Leading Virtual Reality Content Provider
NextVR**

BEIJING, Aug. 9, 2016 /PRNewswire/ -- NetEase, Inc. (NASDAQ: NTES) ("NetEase" or the "Company"), one of China's leading internet and online game services providers, announced its participation in a recent \$80 million Series B funding of [NextVR](#), an emerging leader in live virtual reality broadcast technology.

"This early stage strategic investment in NextVR reflects our commitment to the development of cutting-edge technologies for virtual reality (VR)," said Mr. William Ding, Chief Executive Officer and Director of NetEase. "We are true believers in live VR experiences and have great confidence in NextVR's ability to lead in this field. We look forward to giving consumers an entirely new way to experience live events, as well as exploring possible synergies between our online games and media business and NextVR."

The Series B round allows NextVR to expand its virtual reality platform and global operations. NextVR recently announced a partnership with Live Nation to deliver hundreds of A-list performances in VR to fans across the world. NextVR has also broadcasted major sporting events live in VR, including the U.S. Open and Masters golf tournaments, the Kentucky Derby, and the International Champions Cup soccer competition. In addition to their live broadcasts, the company recently streamed MLB's annual Home Run Derby in VOD.

In addition to NetEase, investors in the Series B round include CITIC Guoan Information Industry Co. Ltd., China Media Capital, SoftBank Group, Founder H Fund, VMS Investments Group Limited, China Assets, and Spectrum 28. All investors in the Series A round, including Formation Group, Time Warner Investments, Comcast Ventures, Stephen Ross's RSE Ventures, Mandalay Entertainment's CEO Peter Guber, The Madison Square Garden Co., and dick clark productions also participated in the Series B round.

About NetEase, Inc.

NetEase, Inc. (NASDAQ: NTESS) 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, Mojang AB (a Microsoft subsidiary) and other global game developers, NetEase also licenses some of the most popular international online games.

About NextVR

NextVR enables the transmission of live, long-form virtual reality content in broadcast quality - leading the way for live and on-demand VR to become a mainstream experience for sporting events, concerts, cinematic productions and more. Launched in 2009, NextVR has more than 36 patents granted or pending for the capture, compression, transmission, and display of virtual reality content. NextVR's platform allows the fully immersive content to be streamed with pristine quality using current home and mobile Internet connections. NextVR was founded by veterans in stereoscopic imaging technology and software development, and an award-winning filmmaker. For more information, go to www.nextvr.com.

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 the market for PC client and mobile games will not continue to grow or that NetEase will not be able to maintain its leading position in that market, which could occur if, for example, its new games or expansion packs and other improvements to its existing games do not become as popular as management anticipates; 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; 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.