

NETEASE.COM, INC.
UNAUDITED CONSOLIDATED STATEMENTS OF OPERATIONS

	Quarter Ended			
	March 31, 2004	December 31, 2004	March 31, 2005	March 31, 2005
	RMB	RMB	RMB	USD (Note 1)
Revenues:				
Online game services	111,389,272	208,255,497	262,142,134	31,673,066
Advertising services	34,484,069	44,685,971	45,275,474	5,470,365
Wireless value-added and other fee-based premium services	62,004,416	24,939,955	20,269,101	2,448,994
Total revenues	207,877,757	277,881,423	327,686,709	39,592,425
Business taxes	(11,223,255)	(16,163,775)	(19,010,880)	(2,296,971)
Total net revenues	196,654,502	261,717,648	308,675,829	37,295,454
Total cost of revenues	(38,286,121)	(54,340,040)	(55,470,010)	(6,702,109)
Gross profit	158,368,381	207,377,608	253,205,819	30,593,345
Operating expenses:				
Selling and marketing expenses	(21,226,018)	(41,587,393)	(33,204,422)	(4,011,892)
General and administrative expenses	(22,128,436)	(25,327,931)	(23,884,696)	(2,885,845)
Research and development expenses	(7,202,306)	(10,163,099)	(33,439,354)	(4,040,277)
Total operating expenses	(50,556,760)	(77,078,423)	(90,528,472)	(10,938,014)
Operating profit	107,811,621	130,299,185	162,677,347	19,655,331
Other income (expenses):				
Investment income	1,363,507	698,746	536,324	64,801
Interest income	3,782,606	7,838,669	9,937,045	1,200,634
Interest expense	(931,171)	(1,065,217)	(344,859)	(41,667)
Other, net	1,800	(45,372)	(28,528)	(3,447)
Profit before tax	112,028,363	137,726,011	172,777,329	20,875,652
Income tax	(8,116,327)	(7,570,603)	(18,899,496)	(2,283,513)
Net profit	103,912,036	130,155,408	153,877,833	18,592,139
Earnings per share, basic	0.03	0.04	0.05	0.01
Earnings per ADS, basic	3.32	4.10	4.83	0.58
Earnings per share, diluted (Note 2)	0.03	0.04	0.04	0.01
Earnings per ADS, diluted (Note 2)	3.07	3.76	4.42	0.53
Weighted average number of ordinary shares outstanding, basic	3,132,850,697	3,176,762,632	3,188,169,782	3,188,169,782
Weighted average number of ADS outstanding, basic	31,328,507	31,767,626	31,881,698	31,881,698
Weighted average number of ordinary shares outstanding, diluted (Note 2)	3,473,673,474	3,538,848,713	3,530,419,102	3,530,419,102
Weighted average number of ADS outstanding, diluted (Note 2)	34,736,735	35,388,487	35,304,191	35,304,191

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

Note 1: The conversion of Renminbi (RMB) into United States dollars (USD) is based on the noon buying rate of USD1.00 = RMB8.2765 on March 31, 2005 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: When calculating the fully diluted earnings per American Depositary Share (ADS) for the first quarter in 2005, the Company adopted the consensus reached on EITF 04-08, which is effective for periods ended after December 15, 2004. EITF 04-08 is applicable to the Company because the conversion of its zero coupon convertible subordinated notes (the "Convertible Notes") depends on, among other things, whether the market price of the Company's American Depositary Shares exceeds a pre-scripted conversion price. Application of the consensus requires the dilutive impact of the Convertible Notes to be included in the calculation of diluted earnings per share, notwithstanding the fact that the market prices of the Company's American Depositary Shares in March 2004, December 2004 and March 2005 did not exceed the pre-scripted conversion price of the Convertible Notes. The EITF 04-08 has been retroactively applied such that the diluted earnings per American Depositary Share for all prior periods were restated.

In accordance with the adoption of EITF 04-08, the weighted average number of diluted ordinary shares and American Depositary Shares outstanding for the purpose of calculating diluted earnings per share and diluted earnings per American Depositary Share for the three months ended March 31, 2004, have been revised to include the contingently issuable shares in relation to the Company's Convertible Notes outstanding as of March 31, 2004. The inclusion of these contingently issuable shares results in a decrease of US\$0.11 to the previously reported diluted earnings per American Depositary Share for the quarter ended March 31, 2004.