



November 11, 2014

YY Reports Third Quarter 2014 Unaudited Financial Results

3Q14 Net Revenues Up 105.3% YOY to RMB1.0 Billion

3Q14 Net Income Up 122.0% YOY to RMB286.2 Million

3Q14 Non-GAAP Net Income Up 88.7% YOY to RMB322.3 Million

GUANGZHOU, China, Nov. 11, 2014 (GLOBE NEWSWIRE) -- YY Inc. (Nasdaq:YY) ("YY" or the "Company"), a revolutionary real-time interactive social platform, today announced its unaudited financial results for the third quarter ended September 30, 2014.

Third Quarter 2014 Highlights

- Net revenues increased by 105.3% to RMB1.0 billion (US\$163.0 million) from RMB487.2 million in the corresponding period of 2013, primarily driven by a 114.6% increase in revenues from internet value-added services, or IVAS revenues.
- Net income attributable to YY Inc. increased by 122.0% to RMB286.2 million (US\$46.6 million) from RMB129.0 million in the corresponding period of 2013.
- Non-GAAP net income attributable to YY Inc.¹ increased by 88.7% to RMB322.3 million (US\$52.5 million) from RMB170.8 million in the corresponding period of 2013.

Mr. David Xueling Li, Chief Executive Officer of YY, stated, "We entered the second half of 2014 with strong momentum, propelled by both the new initiatives that have diversified our product offerings as well as the continuing strength of our core growth engines that remain the solid foundation of our business. For the first time, we achieved total quarterly net revenue of over one billion RMB, more than double what we achieved in the same period last year. Online music and entertainment, the main contributors to this outstanding performance, continued to experience robust growth of 133.2% year-over-year. Moreover, we were pleased to see that our exciting online dating business, launched less than a year ago, performed impressively again with revenues growing at a torrid pace of 119.0% quarter-over-quarter. Having amassed a solid base of over 105 million average monthly active users for the third quarter of 2014, we are confident that by providing a comprehensive talents and services marketplace for our vast number of users, we will further heighten user stickiness on our platform and elevate the barriers that fortify our leading position as a revolutionary real-time interactive social platform in China."

Mr. Eric He, Chief Financial Officer of YY, commented, "We once again achieved results which exceeded our expectations on both top line growth and margins. Due to the increasing scale of our business operations and cost efficiency, we saw net income attributable to YY grow by 122.0% year-over-year. With a mature understanding of our customers' needs and solid technical know-how, we will remain focused on creating shareholder value by continuing to expand our service offerings as well as growing our core business lines."

Third Quarter 2014 Financial Results

NET REVENUES

Net revenues increased by 105.3% to RMB1.0 billion (US\$163.0 million) in the third quarter of 2014 from RMB487.2 million in the corresponding period of 2013, primarily driven by an increase in IVAS revenues.

IVAS revenues, which mainly consisted of revenues from online music and entertainment, online games, online dating, live game broadcasting and membership program, increased by 114.6% to RMB948.0 million (US\$154.5 million) in the third quarter of 2014 from RMB441.8 million in the corresponding period of 2013. The overall increase primarily reflected increases in the number of paying users and average revenue per user ("ARPU").

Revenues from online music and entertainment increased by 133.2% to RMB533.8 million (US\$87.0 million) in the third quarter of 2014 from RMB228.9 million in the corresponding period of 2013. This increase primarily reflected a 52.9% year-over-year increase in the number of paying users to 1,179,000 and an increase in ARPU of 52.5% to RMB453 in the third

quarter of 2014.

Revenues from online games increased by 52.1% to RMB235.1 million (US\$38.3 million) in the third quarter of 2014 from RMB154.5 million in the corresponding period of 2013. This increase primarily reflected a year-over-year increase in ARPU of 39.8% to RMB485 from 485,000 paying users. The number of online games operated by the Company increased to 183 as of September 30, 2014 from 111 as of September 30, 2013.

Other IVAS revenues, including online dating, live game broadcasting and membership subscription fees, increased by 206.8% to RMB179.1 million (US\$29.2 million) in the third quarter of 2014 from RMB58.4 million in the corresponding period of 2013. Revenues from online dating increased by 119.0% to RMB64.1 million (US\$10.4 million) in the third quarter of 2014 from RMB29.2 million in the second quarter of 2014. Revenues from live game broadcasting increased by 172.7% to RMB45.6 million (US\$7.4 million) in the third quarter of 2014 from RMB16.7 million in the corresponding period of 2013. Revenues from the membership subscription fees increased by 45.7% to RMB54.0 million (US\$8.8 million) in the third quarter of 2014 from RMB37.1 million in the corresponding period of 2013.

Online advertising revenues increased by 15.5% to RMB52.3 million (US\$8.5 million) in the third quarter of 2014 from RMB45.3 million in the corresponding period of 2013.

COST OF REVENUES AND GROSS PROFIT

Cost of revenues increased by 94.3% to RMB482.9 million (US\$78.7 million) in the third quarter of 2014 from RMB248.6 million in the corresponding period of 2013. This increase was primarily attributable to an increase in revenue-sharing fees and content costs to RMB301.2 million (US\$49.1 million) in the third quarter of 2014 from RMB133.9 million in the corresponding period of 2013. This increase in revenue-sharing fees and content costs paid to performers, channel owners and content providers was primarily due to higher levels of user engagement and spending. In addition, bandwidth costs increased to RMB87.7 million (US\$14.3 million) in the third quarter of 2014 from RMB54.9 million in the corresponding period of 2013.

Gross profit increased by 116.9% to RMB517.4 million (US\$84.3 million) in the third quarter of 2014 from RMB238.6 million in the corresponding period of 2013. Gross margin was 51.7% in the third quarter of 2014 compared with 49.0% in the corresponding period of 2013. The increase in gross margin year-over-year was mainly attributable to higher operating leverage in the third quarter of 2014 and the one-time costs related to our partnership with Hunan Satellite Television Station in the *Happy Boy Show*, a popular television series, incurred in the corresponding period of 2013.

OPERATING INCOME

Operating expenses for the third quarter of 2014 increased by 73.0% to RMB209.8 million (US\$34.2 million) from RMB121.3 million in the corresponding period of 2013. This increase was primarily attributable to an increase in research and development expenses and sales and marketing expenses which were associated with the general growth of the Company's overall business.

Operating income in the third quarter of 2014 increased by 130.4% to RMB308.9 million (US\$50.3 million) from RMB134.1 million in the corresponding period of 2013. Operating margin increased to 30.9% in the third quarter of 2014 from 27.5% in the corresponding period of 2013. The increase in operating margin was primarily due to increased operating leverage associated with the Company's expansion.

Non-GAAP operating income² increased by 96.1% to RMB345.0 million (US\$56.2 million) in the third quarter of 2014 from RMB175.9 million in the corresponding period of 2013. Non-GAAP operating margin³ decreased to 34.5% in the third quarter of 2014 from 36.1% in the corresponding period of 2013.

NET INCOME

Net income attributable to YY Inc. increased by 122.0% to RMB286.2 million (US\$46.6 million) in the third quarter of 2014 from RMB129.0 million in the corresponding period of 2013. Net margin in the third quarter of 2014 increased to 28.6% from 26.5% in the corresponding period of 2013. Non-GAAP net income attributable to YY Inc.⁴ increased by 88.7% to RMB322.3 million (US\$52.5 million) from RMB170.8 million in the corresponding period of 2013. Non-GAAP net margin⁵ decreased to 32.2% in the third quarter of 2014 from 35.1% in the corresponding period of 2013.

NET INCOME PER ADS

Diluted net income per ADS⁶ in the third quarter of 2014 increased by 119.8% to RMB4.77 (US\$ 0.78), from RMB2.17 in the

corresponding period of 2013.

Non-GAAP diluted net income per ADS⁷ in the third quarter of 2014 increased by 87.1% to RMB 5.37 (US\$0.87) from RMB2.87 in the corresponding period of 2013.

BALANCE SHEET AND CASH FLOWS

As of September 30, 2014, the Company had cash and cash equivalents of RMB802.4 million (US\$130.7 million) and short term deposits and restricted short-term deposits of RMB4.2 billion (US\$687.5 million). For the third quarter of 2014, net cash from operating activities was RMB418.0 million (US\$68.1 million).

SHARES OUTSTANDING

As of September 30, 2014, the Company had a total of 1.1 billion common shares outstanding, or the equivalent of 56.6 million ADSs outstanding.

RECENT DEVELOPMENTS

On August 7, 2014, the Company entered into an agreement to purchase certain floors of an office building in Panyu District, Guangzhou, China for a total consideration of RMB479.2 million (US\$78.1 million). The additional office space will be used to support increased headcount associated with the continuing expansion of the Company.

BUSINESS OUTLOOK

For the fourth quarter of 2014, the Company expects its net revenues to be between RMB1.08 billion and RMB1.10 billion, representing a year-over-year growth of approximately 76% to 80%. These forecasts reflect the Company's current and preliminary view on the market and operational conditions, which are subject to change.

Conference Call Information

The Company will hold a conference call on Tuesday, November 11, 2014 at 8:00 pm Eastern Time or Wednesday November 12, 2014 at 9:00 am Beijing Time to discuss the financial results. Participants may access the call by dialing the following numbers:

United States: +1-845-675-0438
International Toll Free: +1-855-500-8701
China Domestic: 400-1200654
Hong Kong: +852-3018-6776
Conference ID: #24477425

The replay will be accessible through November 18, 2014 by dialing the following numbers:

United States Toll Free: +1-855-452-5696
International: +61-2-9003-4211
Conference ID: #24477425

A live and archived webcast of the conference call will also be available at the Company's investor relations website at <http://investors.yy.com/>.

Exchange Rate

This press release contains translations of certain Renminbi amounts into U.S. dollars at specified rates solely for the convenience of readers. Unless otherwise noted, all translations from Renminbi to U.S. dollars, in this press release, were made at a rate of RMB6.1380 to US\$1.00, the noon buying rate in effect on September 30, 2014 in the City of New York for cable transfers in Renminbi per U.S. dollar as certified for customs purposes by the Federal Reserve Bank of New York.

About YY Inc.

YY Inc. ("YY" or the "Company") is a revolutionary real-time interactive social platform that engages users in real-time online group activities through voice, text and video. Launched in July 2008, YY Client, the Company's core product, empowers users to create and organize groups of varying sizes to discover and participate in a wide range of online activities, including online music and entertainment, online games, online dating, live game broadcasting and education.

Safe Harbor Statement

This announcement contains forward-looking statements. These statements are made under the "safe harbor" provisions of the U.S. Private Securities Litigation Reform Act of 1995. These forward-looking statements can be identified by terminology such as "will," "expects," "anticipates," "future," "intends," "plans," "believes," "estimates" and similar statements. Among other things, the business outlook and quotations from management in this announcement, as well as YY's strategic and operational plans, contain forward-looking statements. YY may also make written or oral forward-looking statements in its periodic reports to the U.S. Securities and Exchange Commission ("SEC"), in its annual report to shareholders, in press releases and other written materials and in oral statements made by its officers, directors or employees to third parties. Statements that are not historical facts, including statements about YY's beliefs and expectations, are forward-looking statements. Forward-looking statements involve inherent risks and uncertainties. A number of factors could cause actual results to differ materially from those contained in any forward-looking statement, including but not limited to the following: YY's goals and strategies; YY's future business development, results of operations and financial condition; the expected growth of the online communication social platform market in China; the expectation regarding the rate at which to gain registered user accounts, active users, especially paying users; YY's ability to monetize the user base; YY's ability to continue attracting advertisers and offering popular online games; fluctuations in general economic and business conditions in China and assumptions underlying or related to any of the foregoing. Further information regarding these and other risks is included in YY's filings with the SEC. All information provided in this press release and in the attachments is as of the date of this press release, and YY does not undertake any obligation to update any forward-looking statement, except as required under applicable law.

Use of Non-GAAP Financial Measures

The unaudited condensed consolidated financial information is prepared in conformity with accounting principles generally accepted in the United States of America ("U.S. GAAP"), except that the consolidated statement of changes in shareholders' equity (deficits), consolidated statements of cash flows, and the detailed notes have not been presented. YY uses non-GAAP operating income, non-GAAP operating margin, non-GAAP net income attributable to YY Inc., non-GAAP net margin, non-GAAP net income(loss) attributable to common shareholders, and basic and diluted non-GAAP net income(loss) per ADS, which are non-GAAP financial measures. Non-GAAP operating income is operating income excluding share-based compensation expenses. Non-GAAP operating margin is non-GAAP operating income as a percentage of net revenues. Non-GAAP net income (loss) attributable to YY Inc. is net income (loss) attributable to YY Inc. excluding share-based compensation expenses. Non-GAAP net margin is non-GAAP net income attributable to YY Inc. as a percentage of net revenues. Non-GAAP net income (loss) attributable to common shareholders is net income (loss) attributable to common shareholders excluding share-based compensation expenses. Basic and diluted non-GAAP net income (loss) per ADS is non-GAAP net income (loss) attributable to common shareholders divided by weighted average number of ADS used in the calculation of basic and diluted net income (loss) per ADS. The Company believes that separate analysis and exclusion of the non-cash impact of share-based compensation adds clarity to the constituent parts of its performance. The Company reviews these non-GAAP financial measures together with GAAP financial measures to obtain a better understanding of its operating performance. It uses the non-GAAP financial measure for planning, forecasting and measuring results against the forecast. The Company believes that non-GAAP financial measure is useful supplemental information for investors and analysts to assess its operating performance without the effect of non-cash share-based compensation expenses, which have been and will continue to be significant recurring expenses in its business. However, the use of non-GAAP financial measures has material limitations as an analytical tool. One of the limitations of using non-GAAP financial measures is that they do not include all items that impact the Company's net income (loss) for the period. In addition, because non-GAAP financial measures are not measured in the same manner by all companies, they may not be comparable to other similar titled measures used by other companies. In light of the foregoing limitations, you should not consider non-GAAP financial measure in isolation from or as an alternative to the financial measure prepared in accordance with U.S. GAAP.

The presentation of these non-GAAP financial measures is not intended to be considered in isolation from, or as a substitute for, the financial information prepared and presented in accordance with U.S. GAAP. For more information on these non-GAAP financial measures, please see the table captioned "YY Inc. Reconciliations of GAAP and Non-GAAP Results" at the end of this release.

¹Non-GAAP net income attributable to YY Inc. is a non-GAAP financial measure, which is defined as net income attributable to YY Inc. excluding share-based compensation expenses.

²Non-GAAP operating income is a non-GAAP financial measure, which is defined as operating income excluding share-based compensation expenses.

³Non-GAAP operating margin is a non-GAAP financial measure, which is defined as non-GAAP operating income as a percentage of net revenues.

⁴Non-GAAP net income attributable to YY Inc. is a non-GAAP financial measure, which is defined as net income attributable to YY Inc. excluding share-based compensation expenses.

⁵Non-GAAP net margin is a non-GAAP financial measure, which is defined as non-GAAP net income attributable to YY Inc. as a percentage of net revenues.

⁶ADS is American Depositary Share. Each ADS represents twenty Class A common shares of the Company. Diluted net income (loss) per ADS is net income (loss) attributable to common shareholders divided by weighted average number of diluted ADS.

⁷Non-GAAP diluted net income (loss) per ADS is a non-GAAP financial measure, which is defined as non-GAAP net income (loss) attributable to common shareholders divided by weighted average number of ADS used in the calculation of diluted net income (loss) per ADS.

YY INC.

UNAUDITED CONDENSED CONSOLIDATED BALANCE SHEETS

(All amounts in thousands, except share, ADS and per ADS data)

	December 31, 2013	September 30, 2014	September 30, 2014
	RMB	RMB	US\$
Assets			
Current assets			
Cash and cash equivalents	729,598	802,365	130,721
Short-term deposits	1,432,863	4,119,779	671,192
Restricted short-term deposits	--	100,000	16,292
Accounts receivable, net	100,101	116,799	19,029
Amount due from a related party	73	3,136	511
Prepayments and other current assets	67,533	111,190	18,115
Deferred tax assets	66,921	80,062	13,044
Total current assets	<u>2,397,089</u>	<u>5,333,331</u>	<u>868,904</u>
Non-current assets			
Deferred tax assets	625	868	141
Investments	62,029	159,630	26,007
Property and equipment, net	102,636	189,243	30,831
Intangible assets, net	29,127	31,620	5,152
Goodwill	1,577	4,112	670
Other non-current assets	4,864	314,925	51,307
Total non-current assets	<u>200,858</u>	<u>700,398</u>	<u>114,108</u>
Total assets	<u>2,597,947</u>	<u>6,033,729</u>	<u>983,012</u>
Liabilities and shareholders' equity			
Current liabilities			

Accounts payable	56,391	97,497	15,884
Deferred revenue	293,866	329,351	53,658
Advances from customers	19,549	27,950	4,554
Income taxes payable	78,107	74,617	12,157
Accrued liabilities and other current liabilities	250,760	330,441	53,835
Amounts due to related parties	2,640	9,639	1,570
Total current liabilities	<u>701,313</u>	<u>869,495</u>	<u>141,658</u>
Non-current liabilities			
Convertible bonds	--	2,461,528	401,031
Deferred revenue	9,425	17,573	2,863
Total liabilities	<u>710,738</u>	<u>3,348,596</u>	<u>545,552</u>

YY INC.

UNAUDITED CONDENSED CONSOLIDATED BALANCE SHEETS (CONTINUED)

(All amounts in thousands, except share, ADS and per ADS data)

	December 31, 2013	September 30, 2014	September 30, 2014
	RMB	RMB	US\$
Shareholders' equity			
Class A common shares (US\$0.00001 par value; 10,000,000,000 shares authorized, 622,658,738 shares issued and outstanding as of December 31, 2013 and 704,275,248 shares issued and outstanding as of September 30, 2014, respectively)	38	43	7
Class B common shares (US\$0.00001 par value; 1,000,000,000 shares authorized, 485,831,386 shares issued and outstanding as of December 31, 2013 and 427,352,696 shares issued and outstanding as of September 30, 2014, respectively)	34	30	5
Additional paid-in capital	2,765,614	2,862,425	466,345
Statutory reserves	40,657	40,657	6,624
Accumulated deficits	(874,697)	(183,022)	(29,818)
Accumulated other comprehensive losses	(44,437)	(35,000)	(5,703)
Total shareholders' equity	<u>1,887,209</u>	<u>2,685,133</u>	<u>437,460</u>
Total liabilities and shareholders' equity	<u>2,597,947</u>	<u>6,033,729</u>	<u>983,012</u>

YY INC.

UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS AND COMPREHENSIVE INCOME

(All amounts in thousands, except share, ADS and per ADS data)

	Three Months Ended				Nine Months Ended		
	September 30, 2013	June 30, 2014	September 30, 2014	September 30, 2014	September 30, 2013	September 30, 2014	September 30, 2014
	RMB	RMB	RMB	US\$	RMB	RMB	US\$
Net revenues							
Internet value-added service							
—Online music and entertainment	228,906	516,376	533,821	86,970	516,295	1,433,311	233,514

—Online games	154,529	166,900	235,081	38,299	439,284	582,301	94,868
—Others	58,383	117,387	179,119	29,182	135,754	375,180	61,124
Online advertising	<u>45,337</u>	<u>40,375</u>	<u>52,344</u>	<u>8,528</u>	<u>119,827</u>	<u>116,938</u>	<u>19,051</u>
Total net revenue	<u>487,155</u>	<u>841,038</u>	<u>1,000,365</u>	<u>162,979</u>	<u>1,211,160</u>	<u>2,507,730</u>	<u>408,557</u>
Cost of revenues ⁽¹⁾	<u>(248,553)</u>	<u>(424,753)</u>	<u>(482,918)</u>	<u>(78,677)</u>	<u>(585,188)</u>	<u>(1,224,655)</u>	<u>(199,520)</u>
Gross profit	<u>238,602</u>	<u>416,285</u>	<u>517,447</u>	<u>84,302</u>	<u>625,972</u>	<u>1,283,075</u>	<u>209,037</u>
Operating expenses⁽¹⁾							
Research and development expenses	(67,148)	(107,454)	(126,599)	(20,625)	(191,866)	(315,763)	(51,444)
Sales and marketing expenses	(7,502)	(13,634)	(33,308)	(5,427)	(20,744)	(53,506)	(8,717)
General and administrative expenses	<u>(46,663)</u>	<u>(58,405)</u>	<u>(49,901)</u>	<u>(8,130)</u>	<u>(151,357)</u>	<u>(165,257)</u>	<u>(26,924)</u>
Total operating expenses	<u>(121,313)</u>	<u>(179,493)</u>	<u>(209,808)</u>	<u>(34,182)</u>	<u>(363,967)</u>	<u>(534,526)</u>	<u>(87,085)</u>
Other income	<u>16,766</u>	<u>1,836</u>	<u>1,245</u>	<u>203</u>	<u>19,107</u>	<u>3,964</u>	<u>646</u>
Operating income	<u>134,055</u>	<u>238,628</u>	<u>308,884</u>	<u>50,323</u>	<u>281,112</u>	<u>752,513</u>	<u>122,598</u>
Gain on disposal of an equity investment	--	--	999	163	--	999	163
Foreign currency exchange gains (losses), net	5,500	(6,001)	189	31	21,749	(14,495)	(2,362)
Interest expense	--	(18,003)	(18,615)	(3,033)	--	(37,997)	(6,190)
Interest income	<u>16,542</u>	<u>43,643</u>	<u>49,607</u>	<u>8,082</u>	<u>40,681</u>	<u>116,374</u>	<u>18,960</u>
Income before income tax expenses	<u>156,097</u>	<u>258,267</u>	<u>341,064</u>	<u>55,566</u>	<u>343,542</u>	<u>817,394</u>	<u>133,169</u>
Income tax expenses	<u>(27,719)</u>	<u>(37,356)</u>	<u>(54,147)</u>	<u>(8,822)</u>	<u>(59,121)</u>	<u>(125,204)</u>	<u>(20,398)</u>
Income before share of income (loss) in equity method investments, net of income taxes	<u>128,378</u>	<u>220,911</u>	<u>286,917</u>	<u>46,744</u>	<u>284,421</u>	<u>692,190</u>	<u>112,771</u>
Share of income (loss) in equity method investments, net of income taxes	<u>586</u>	<u>960</u>	<u>(680)</u>	<u>(111)</u>	<u>1,290</u>	<u>(515)</u>	<u>(84)</u>
Net income attributable to YY Inc.	<u>128,964</u>	<u>221,871</u>	<u>286,237</u>	<u>46,633</u>	<u>285,711</u>	<u>691,675</u>	<u>112,687</u>
Net income attributable to YY Inc.	128,964	221,871	286,237	46,633	285,711	691,675	112,687
Other comprehensive income (loss):							
Foreign currency translation adjustments, net of nil tax	<u>(5,678)</u>	<u>1</u>	<u>(47)</u>	<u>(8)</u>	<u>(22,817)</u>	<u>9,437</u>	<u>1,537</u>
Comprehensive income attributable to YY Inc.	<u>123,286</u>	<u>221,872</u>	<u>286,190</u>	<u>46,625</u>	<u>262,894</u>	<u>701,112</u>	<u>114,224</u>
Net income per ADS							
—basic	2.29	3.87	4.94	0.80	5.10	12.03	1.96
—diluted	2.17	3.71	4.77	0.78	4.87	11.55	1.88

Weighted average number of ADS used in

calculating net income per ADS

—basic	56,261,659	57,387,988	57,967,199	57,967,199	55,989,991	57,507,038	57,507,038
—diluted	59,546,765	59,854,610	60,055,585	60,055,585	58,713,803	59,901,727	59,901,727

(1) Share-based compensation was allocated in cost of revenues and operating expenses as follows:

	Three Months Ended				Nine Months Ended		
	September	June	September	September	September	September	September
	30, 2013	30, 2014	30, 2014	30, 2014	30, 2013	30, 2014	30, 2014
	RMB	RMB	RMB	US\$	RMB	RMB	US\$
Cost of revenues	3,191	4,691	5,280	860	6,618	12,379	2,017
Research and development expenses	12,357	15,339	15,431	2,514	27,714	39,649	6,460
Sales and marketing expenses	432	656	744	121	873	1,737	283
General and administrative expenses	25,859	15,803	14,628	2,383	56,996	42,845	6,980

YY INC.

Reconciliations of GAAP and Non-GAAP Results

(All amounts in thousands, except share, ADS and per ADS data)

	Three Months Ended				Nine Months Ended		
	September	June	September	September	September	September	September
	30, 2013	30, 2014	30, 2014	30, 2014	30, 2013	30, 2014	30, 2014
	RMB	RMB	RMB	US\$	RMB	RMB	US\$
Operating income	134,055	238,628	308,884	50,323	281,112	752,513	122,598
Share-based compensation expenses	41,839	36,489	36,083	5,878	92,201	96,610	15,740
Non-GAAP operating income	<u>175,894</u>	<u>275,117</u>	<u>344,967</u>	<u>56,201</u>	<u>373,313</u>	<u>849,123</u>	<u>138,338</u>
Net income attributable to YY Inc.	128,964	221,871	286,237	46,633	285,711	691,675	112,687
Share-based compensation expenses	41,839	36,489	36,083	5,878	92,201	96,610	15,740
Non-GAAP net income attributable to YY Inc.	<u>170,803</u>	<u>258,360</u>	<u>322,320</u>	<u>52,511</u>	<u>377,912</u>	<u>788,285</u>	<u>128,427</u>
Non-GAAP net income per ADS							
—Basic	3.04	4.50	5.56	0.91	6.75	13.71	2.23
—Diluted	2.87	4.32	5.37	0.87	6.44	13.16	2.14

Weighted average numbers of ADS used in calculating Non-GAAP net income per ADS:

—Basic	56,261,659	57,387,988	57,967,199	57,967,199	55,989,991	57,507,038	57,507,038
—Diluted	59,546,765	59,854,610	60,055,585	60,055,585	58,713,803	59,901,727	59,901,727

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