

*Assumes all of our issued and outstanding ordinary shares are represented by ADS

Investment Highlights

- Leading online game company with three popular games in China
- Proven ability to gather and implement player feedback
- Advanced technology platform
- Strong marketing support from Sohu
- Experienced management team with proven game development and operational expertise

Company Overview

Changyou, a leading developer and operator of online games in China, began operations as a MMORPG business unit within Sohu.com (NASDAQ: SOHU) in 2003. It was carved out as stand-alone company in Dec 2007 and completed an IPO in April 2009. Changyou and its subsidiaries currently operates over ten online games, including popular in-house developed MMORPGs, such as Tian Long Ba Bu ("TLBB") and Duke of Mount Deer ("DMD"), and leading web-based games, such as DDTank. Changyou has a diversified pipeline with a number of licensed games. Changyou's technology platform includes advanced 2.5D and 3D graphics engines, a uniform game development platform, and effective anti-cheating, anti-hacking, advanced data protection and proprietary cross-networking technologies.

Strategic Growth Initiatives

I Regularly update core in-house-developed games

- Released major expansion pack "TLBB3" for our flagship game, TLBB, on October 20, 2011. Released two regular expansion packs in mid-March and early July. The game continues to be one of the most popular online games in China.
- DMD, an in-house-developed 3D MMORPG was launched on July 22nd. On September 19, 2011, we released our first expansion pack for the game to continue to build the game's user base.

II Launch new games to diversify game portfolio

- Plan to launch a licensed 2D turn-based strategy MMO game called Ba Zhe Wu Shuang in December, 2011.
- Plan to launch four MMO games in 2012, including "Battlefield Online," a first-person shooter game, and "Tao Yuan," a 3D MMO game.
- Developing several other games in-house using proprietary and world-class commercial game engines

III Entry into the fast-growing web-based game market

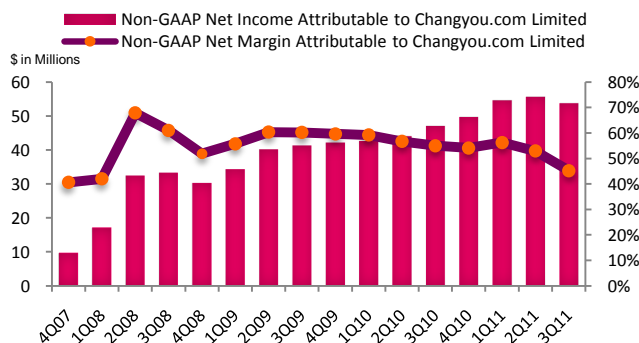
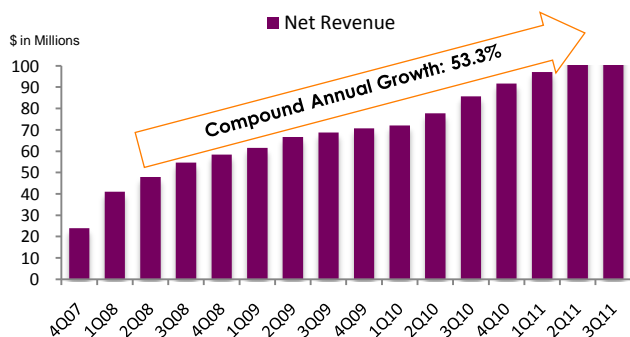
- Completed the acquisition of 7Road, a developer in China that developed DDTank, one of the top web-based games in China.
- Explore other partnership or game licensing opportunities in the web-based games market.

IV Further build human capital

- Added 300 web-based game engineers with the acquisition of 7Road in China.
- Plan to recruit another 200 game engineers by the end of 2011 to further expand our game development and operational capabilities.

Financial Snapshot

High Profitability and High Margins



Strong Cash Flows and Debt-Free Balance Sheet

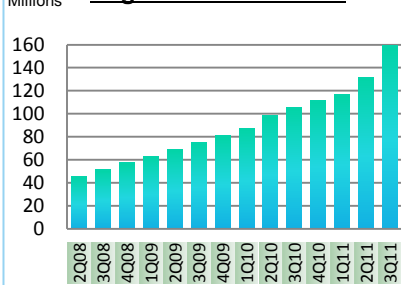
- Net operating cash inflows of US\$74.1 million in the third quarter of 2011
- Net cash balance of US\$458.5 million as of September 30, 2011

Our mission is to establish Changyou as the No.1 online game brand in China

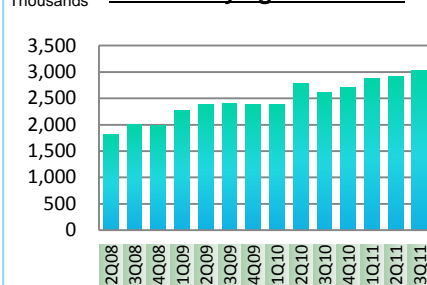
This document contains statements regarding the Company's plans, expectations, market opportunity and business prospects that are individually and collectively forward-looking statements within the meaning of Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 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.

Key Metrics

Registered Accounts *



Active Paying Accounts *



Average Revenue per User *

RMB 184 – 218 during the past seven quarters, a range that keeps the Company's games affordable for the majority of Chinese game players

* Comprises the following games operated in China: TLBB, BO, BH2, DSHS, ZHYX, IF, SJQY and LAW

Leading Self-developed MMO and Web-based Games



Tian Long Ba Bu

Our popular and award-winning proprietary 2.5D martial arts MMORPG launched in 2007

- The first 2.5D game that combines both martial arts fighting and community-building features in China
- Entering into its fourth year of operation, TLBB continues to be one of the most popular MMO games in China
- Awarded the Most-liked Online Game by Game Players by ChinaJoy for five consecutive years from 2006 to 2010 and ranked among the World's Top Five Most Profitable Game Franchises in 2009 by Forbes
- Adapted from a popular Chinese martial arts novel by Louis Cha



DDTank

Our first web-based shooting game that ranks as one of the most popular web-based games in China launched in 2008

- Free-to-play Q-style multiplayer shooting game
- Operates on over 50 of the most frequently visited game portals and SNS sites in China and overseas
- Ranks first and second, respectively, among online games, in Malaysia and Vietnam
- Ranks among China's top web-based games on the Baidu search ranking
- Perfect combination of the gameplay experience of Crazy Tank and the character figures of Maplestory

Other Featured Games

Duke of Mount Deer



Our 3D martial arts MMORPG that has attracted hard-core gamers with innovations and new technology

Blade Online



First 2.5D online fighting MMORPG in China that allows players to set their own rules for fighting

Blade Hero 2



Our award-winning 2.5D MMORPG sequel that features detailed fighting moves and special effects

Da Hua Shui Hu



Our first 2D turn-based cartoon-style MMORPG that features a series of community-based game play

Game Pipeline in 2011 and 2012

Ba Zhe Wu Shuang

Our first 2D turn-based strategy MMORPG that features elements of both strategy and action games

Battlefield Online

Our first multiplayer first-person shooting game that is licensed from Electronic Arts

Tao Yuan

A 3D Q-style turn-based MMO game developed with the Unreal3 engine

Two other MMO games

A One-stop-shop Platform for Gamers

- Aside from news services, gamers today have needs for downloading, sharing, and trading services, as well as online community, and more
- The acquisition of 17173 provides us with a powerful base to jumpstart our services and platform initiative
- We will leverage our leading position in Web-based games and our mobile game initiatives, offline promotion workforce and our network of overseas game companies to help 17173 to transform into a leading platform

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