

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

Investment Highlights

- Leading position in China's online game market
- 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 currently operates seven online games, including the award-winning, in-house developed game, Tian Long Ba Bu ("TLBB"), which after 4 years, continues to be one of the most popular online games in China. Changyou also has a diversified pipeline of games with various graphic styles and themes, including the in-house developed Duke of Mount Deer ("DMD"), and 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 Establish player loyalty and extend lifespan of games through regular release of expansion packs

- A total of 17 expansion packs have been released for the Company's franchise game, TLBB, making it one of the most popular online games in China
- The Company plans to launch another major expansion pack for TLBB in 2011 to further extend the game's lifespan

II Expand and diversify game portfolio

- Scheduled to launch the most anticipated game "Duke of Mount Deer" in summer 2011
- Plan to launch three other games of various types and styles in 2011
- Developing several other games in-house using both proprietary and world-class commercial game engines

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

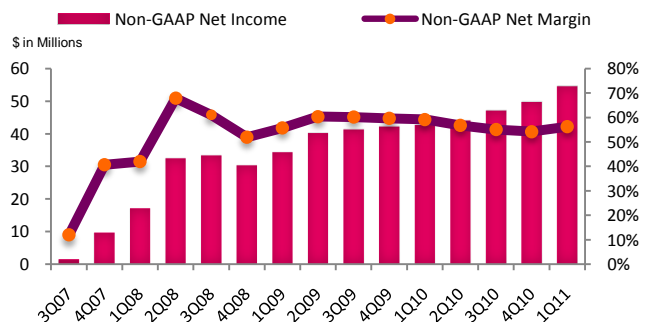
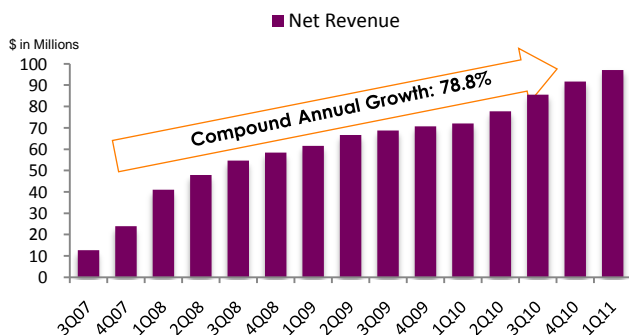
- Entered into a definitive agreement to acquire a reputable web-based game developer, Shenzhen 7Road Technology Co., Ltd. and its affiliates ("7Road")
- With this acquisition, Changyou will own one of the top web-based game titles in China, DDTank, adding to its collection of MMO titles, and well-positioning the company for further growth in both segments of the markets

IV Further build human capital

- Plan to recruit another 300 to 500 by the end of 2011 to further expand our game development and operational capabilities
- Will acquire 300 web-based game specialized engineers through the acquisition of 7Road in China

Financial Snapshot

High Profitability and High Margins



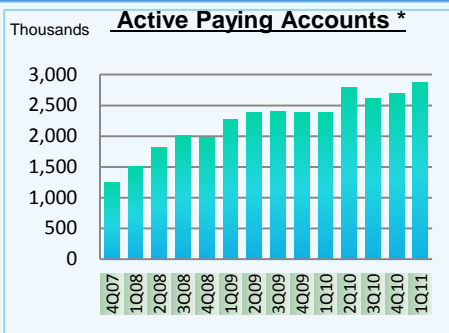
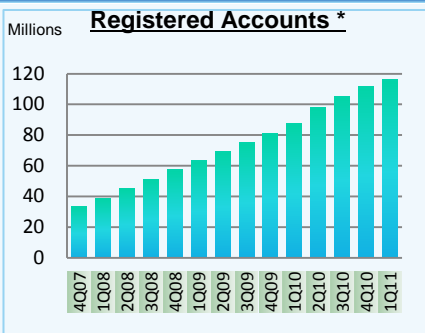
Strong Cash Flows and Debt-Free Balance Sheet

- Net operating cash inflows of US\$58.9 million in the first quarter of 2011
- Net cash balance of US\$406.5 million as of March 31, 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



Average Revenue per User *

RMB 196 – 210 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 and SJQY

Self-developed Games

Tian Long Ba Bu



Taking our proven success to the next level

Duke of Mount Deer



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

Our most anticipated 3D martial arts MMORPG to be launched in summer 2011

- The first game in China that allows players to freely switch between 2.5D and 3D graphic modes
- Includes even more martial arts fighting and community-building features than TLBB and designed for all levels of players from the casual to the hardcore players
- Featuring a new server technology that allows innovative types of cross-server gameplay
- Adapted from another popular Chinese martial arts novel by Louis Cha

Licensed Games

Blade Online



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

Da Hua Shui Hu



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

Zhong Hua Ying Xiong



Our first 3D martial arts MMORPG that features impressive 3D graphics and sophisticated cinematic storylines

Blade Hero 2



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

San Jie Qi Yuan



Our second 2D turn-based cartoon-style MMORPG that offers fast-paced martial arts combat

Immortal Faith



Our first 2D mystical adventure MMORPG that emphasizes player vs. player competition