

ChangYou.com

## Company Overview

Changyou.com (NASDAQ: CYOU) is a leading developer and operator of online games in China. Beginning operations in 2003 as Sohu.com's massively multi-player online games, or MMORPG, business unit, we now operate one of the most popular MMORPGs in China, and have enjoyed 187% year-over-year revenue growth between 2007 and 2008. Our leading in-house technology platform includes an advanced 2.5D graphics engine, a uniform game development platform, effective anti-cheating and anti-hacking technologies, proprietary cross-networking technology and advanced data protection technology.

## Investment Highlights

- Leading market position in China's online game market
- Strong capability to implement enhancements and extend game lifespan
- Leading technology platform & strong marketing and game development support from Sohu
- Experienced management team with local game development and operational expertise

## Industry Background

- In June 2008, China surpassed the United States as the largest Internet market in the world
- China's online game players reached 40.2 million in 2007, and generated revenues of \$1.4 billion, representing growth of 61.5% over 2006
- Online game revenues are expected to continue to grow to \$3.4 billion in 2012 at a compound annual growth rate, or CAGR, of 19.9%
- MMORPGs represent a dominant online game type in China, accounting for 76.0% of China's total online game revenues in 2007

## Our Rapid Growth Under Sohu

### 2003 - 2004 / Entry into the online game market

- Commenced operations as a business unit within Sohu Group in 2003 and commercially launched Blade Online (BO) in 2004

### 2005 - 1H07 / Successful in-house development of TLBB

- Obtained permission to develop TLBB based on the famous novel by Louis Cha
- Commercially launched TLBB in May 2007, reaching PCU (Peak Concurrent Users) of approx. 400,000 within the first month of launch
- TLBB ranked by IDC as 2007's third-most popular online game in China and second most popular online game in China among locally-developed games

### From 2H07 / Strategic Product Line Expansion

- Kicked off development of Duke of Mount Deer (DMD) in 2007
- Licensed TLBB to non-mainland Chinese markets, including Taiwan, Vietnam and Hong Kong in 2007, and Malaysia and Singapore in 2008
- Obtained licenses to operate two further MMORPGs, Immortal Faith (IF) and Legend of the Ancient World (LAW), including rights to source code

## Market Information

**IPO Date:** April 2, 2009

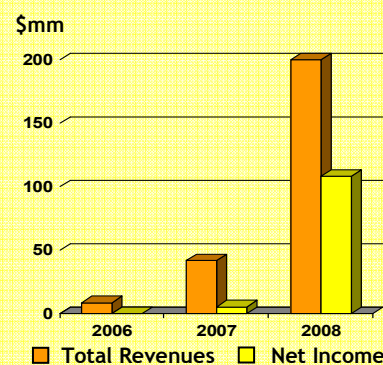
**NASDAQ Ticker:** CYOU

**IPO Price:** \$16.00

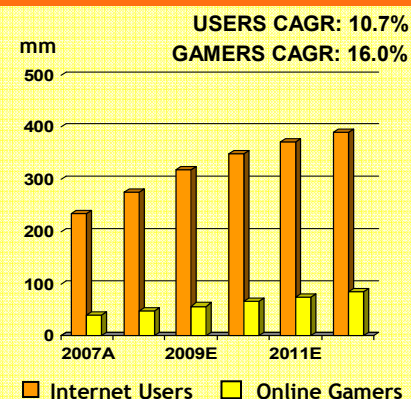
**IPO ADSs:** 7.5m

**Fiscal Year End:** Dec. 31

Changyou.com  
Total Revenues / Net Income



Internet Users in China /  
Online Game Players in China




Blade Online


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.



## Tian Long Ba Bu (TLBB)

- In-house-developed 2.5D MMORPG adapted from the popular Chinese novel "Tian Long Ba Bu" written by Louis Cha
- A combination of both martial arts-style-fighting and community building among game players
- 9 categories of team-based identities with distinct skill sets and missions
- In the three months ended December 31, 2008, TLBB had approximately 1.8 million active paying accounts, and exceeded 800,000 PCU in March, 2008

 **Best Self-developed Online Game and 2008 Most-liked Online Game by Game Players - ChinaJoy, 2008**

 **Second most popular online game among locally-developed games in China and third most popular online game - IDC, 2007**



## Blade Online (BO)

- First online action / fighting game developed in China
- 2.5D online martial arts game set to the backdrop of a Chinese myth
- Customized rules for in-game fighting

## Games Pipeline

**Duke of Mount Deer (DMD) / Scheduled for open beta testing in Q4 2009**

- In-house-developed title adapted from the popular novel "Duke of Mount Deer" written by Louis Cha
- Second-most Anticipated Online Game by Game Players - ChinaJoy, 2008



**Immortal Faith (IF) / Scheduled for open beta testing in Q2 2009**

**LAW / Scheduled for open beta testing in early 2010**

## Key Operating Strategies

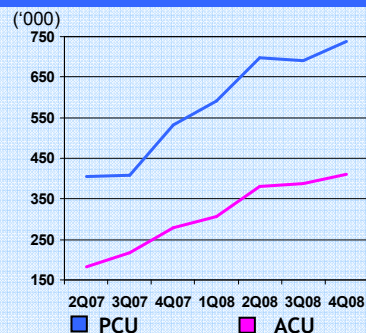
- Leverage success of TLBB and game development platform to develop new MMORPGs
- Continue to employ and improve integrated game player feedback and game enhancement system
- Expand and diversify game offerings
- Selectively expand into international markets
- Focus on building human capital
- Pursue strategic acquisition and alliance opportunities.

For more information, please contact the following:

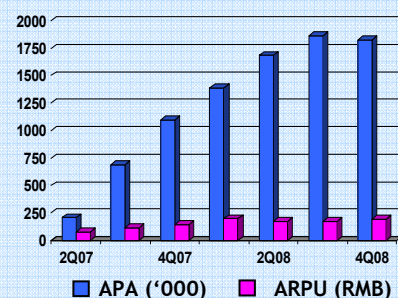
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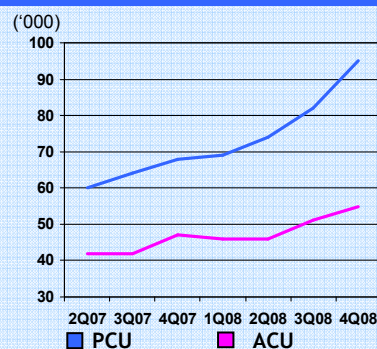
### TLBB PCU & ACU



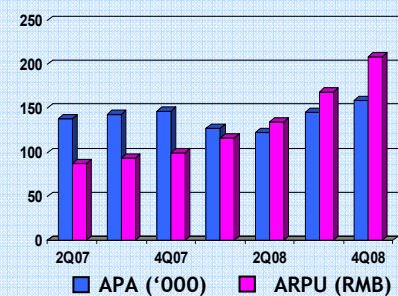
### TLBB APA & ARPU



### Blade Online PCU & ACU



### Blade Online APA & ARPU



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