



## **Changyou.com Announces US\$3.8 Special Cash Dividend per American Depositary Share**

**Beijing, China, August 6, 2012** – Changyou.com Limited (“Changyou” or the “Company”) (NASDAQ: CYOU), a leading online game developer and operator in China, today announced that its board of directors declared a special one-time cash dividend of US\$1.9 per Class A or Class B ordinary share, or US\$3.8 per American Depositary Share (“ADS”). The total amount of the special cash dividend is approximately US\$201 million.

Record holders of the Company's Class A and Class B ordinary shares at the close of business U.S. Eastern Time on August 17, 2012 (the "Record Date") will be entitled to receive the special cash dividend. Holders of the Company's ADSs, each representing two Class A ordinary shares, as of the Record Date will be entitled to the special cash dividend. Changyou expects, Bank of New York Mellon, depositary bank for Changyou's ADR program, to pay out dividends to ADS holders on or before September 30, 2012. The actual distribution date may change. The Company will issue another press release in the event that there is any significant change in the scheduled distribution date.

Mr. Tao Wang, chief executive officer of Changyou commented, “Our business is growing as our online games continue its popularity in China and we continue to generate strong free cash flows from operations each quarter. As we have accumulated a sizable cash reserve since our initial public offering, we are happy to announce this special cash dividend in an effort to return value to shareholders. Our strong balance sheet and robust free cash flows will allow us to keep investing in our businesses to strengthen our position as a leading game developer and operator in China and capture arising opportunities in the global online games market. We are confident in our long-term growth potential and ongoing ability to further increase shareholder value.”

In order to expedite the payment of the special cash dividend, Changyou is expected to finance the payment through offshore bridging bank loans, which would be secured by an equivalent amount of Renminbi-denominated onshore bank deposits of our subsidiaries in China.

As of June 30, 2012, the Company had US\$464.9 million in cash and cash equivalents and short-term investments. The Company generated US\$276.6 million in cash inflows from operations for the year ended December 31, 2011, the most recent year for which financial results have been reported.

### **Safe Harbor Statement**



This announcement contains forward-looking statements. Statements that are not historical facts, including statements about the Company's beliefs and expectations, are forward-looking statements. These statements are based on current plans, estimates and projections, and therefore you should not place undue reliance on them. Forward-looking statements involve inherent risks and uncertainties. The Company cautions that a number of important factors could cause actual results to differ materially from those contained in any forward-looking statement. Potential risks and uncertainties include, but are not limited to, the continuing global financial and credit markets crisis and its potential impact on the Chinese economy, the uncertain regulatory landscape in the People's Republic of China, fluctuations in Changyou's quarterly operating results, Changyou's historical and possible future losses and limited operating history, and the Company's reliance on Tian Long Ba Bu as its major revenue source. Further information regarding these and other risks is included in Changyou's Annual Report on Form 20-F filed on February 28, 2012, and other filings with the Securities and Exchange Commission.

#### **About Changyou**

Changyou.com Limited (NASDAQ: CYOU) is a leading developer and operator of online games in China with a diverse portfolio of online games that includes Tian Long Ba Bu, one of the most popular massively multi-player online ("MMO") games in China, and DDTank and Wartune (also known as Shen Qu), which are two popular web games in China. Changyou also owns and operates the 17173.com Website, a leading game information portal in China. Changyou began operations as a business unit within Sohu.com Inc. (NASDAQ: SOHU) in 2003, and was carved out as a separate, stand-alone company in December 2007. It completed an initial public offering on April 7, 2009. Changyou has an advanced technology platform that includes advanced 2.5D and 3D graphics engines, a uniform game development platform, effective anti-cheating and anti-hacking technologies, proprietary cross-networking technology and advanced data protection technology. For more information about Changyou, please visit <http://www.changyou.com/en/>.

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