

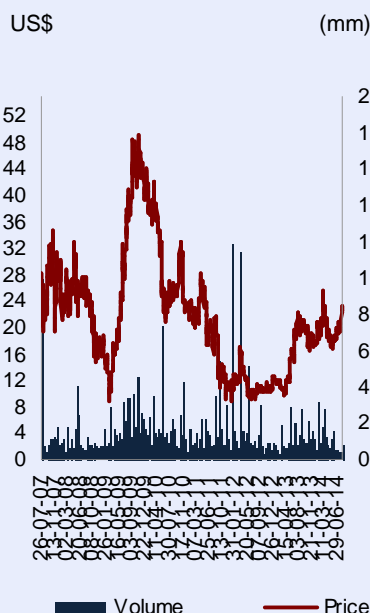
## Market Facts

<b>NASDAQ:</b>	PWRD
<b>Share Price per ADS:</b> (as of August 18, 2014)	\$ 22.96
<b>Total Ordinary Shares Outstanding:</b> (as of end of Q2, 2014)	248.02mm
<b>ADS Ratio:</b>	1:5
<b>Market Cap:</b> (including non-floating shares)	\$1.14bn

## Company Overview

Perfect World Co., Ltd. (NASDAQ: PWRD) is a leading online game developer and operator based in China. Perfect World primarily develops online games based on proprietary game engines and game development platforms. Perfect World's strong technology and creative game design capabilities, combined with extensive knowledge and experiences in the online game market, enable it to frequently and promptly introduce popular games designed to cater changing customer preferences and market trends. Perfect World's current portfolio of self-developed online games includes massively multiplayer online role playing games ("MMORPGs"): "Perfect World," "Legend of Martial Arts," "Perfect World II," "Zhu Xian," "Chi Bi," "Pocketpet Journey West," "Battle of the Immortals," "Fantasy Zhu Xian," "Forsaken World," "Empire of the Immortals," "Return of the Condor Heroes," "Saint Seiya Online," "Swordsman Online" and "Holy King," an online casual game: "Hot Dance Party," and a number of web games and mobile games. While a majority of the revenues are generated in China, Perfect World operates its games in North America, Europe, Japan, Korea and Southeast Asia through its own subsidiaries. Perfect World's games have also been licensed to leading game operators in a number of countries and regions in Asia, Latin America, and the Russian Federation and other Russian speaking territories. Perfect World intends to continue to explore new and innovative business models and is committed to maximizing shareholder value over time.

## Price Volume Chart



## Company Milestones

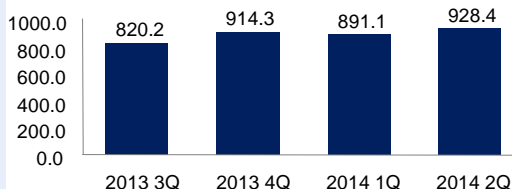
n 2004	March	Company established
n 2006	January	Launched first 3D MMORPG "Perfect World"
n 2006	September	Launched 3D MMORPG "Legend of Martial Arts"
n 2006	November	Launched 3D MMORPG "Perfect World II"
n 2007	May	Launched 3D MMORPG "Zhu Xian"
n 2007	July	Successfully completed IPO on NASDAQ
n 2008	January	Launched 3D MMORPG "Chi Bi"
n 2008	March	Launched first 3D online casual game "Hot Dance Party"
n 2008	April	Established U.S. subsidiary, Perfect World Entertainment Inc.
n 2008	October	Launched 3D MMORPG "Pocketpet Journey West"
n 2009	April	Launched first 2.5D MMORPG "Battle of the Immortals"
n 2009	October	Launched first 2D turn-based MMORPG "Fantasy Zhu Xian"
n 2010	January	Established European subsidiary, Perfect World Europe B.V.
n 2010	April	Acquired C&C Media Co., Ltd. to expand operations in Japan
n 2010	October	Launched 3D MMORPG "Forsaken World"
n 2011	March	Launched 2.5D MMORPG "Empire of the Immortals"
n 2011	August	Acquired Cryptic Studios, Inc., a reputable U.S. based online game company, to further strengthen our R&D capabilities globally
n 2011	December	Started to roll out web games
n 2012	September	Launched 2D turn-based martial arts MMORPG "Return of the Condor Heroes"
n 2012	December	Started to operate games through subsidiaries in Southeast Asia
n 2013	February	Started to operate games through subsidiary Perfect World Korea Co., Ltd. (formerly known as NGL Co., Ltd.) in Korea
n 2013	May	Started to roll out mobile games
n 2013	May	Launched 3D comic-based MMORPG "Saint Seiya Online"
n 2013	June	Launched 3D martial arts MMORPG "Swordsman Online"
n 2013	September	Launched 3D fantasy MMORPG "Holy King"

## Analyst Coverage

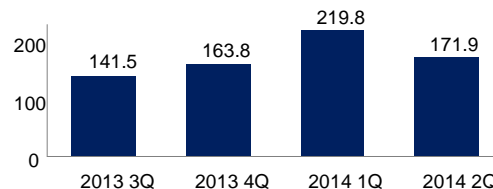
Barclays	Alicia Yap
BofA Merrill Lynch	Eddie Leung
CICC	Haofei Chen
Citi	Thomas Chong
Credit Suisse	Jialong Shi
Macquarie	Shao Jiong, Hillman Chan
Morgan Stanley	Philip Wan, George Meng
Oppenheimer	Ella Ji
Pacific Crest	Evan Wilson, Cheng Cheng
86 Research	Ming Zhao, Nick Ning

## Financial Overviews

### Revenues (RMB MM)



### Non-GAAP Net Income<sup>1</sup> (RMB MM)



### Healthy Balance Sheet (RMB 000)

Balance Sheet (As of end of period)	2Q13	3Q13	4Q13	1Q14	2Q14
Cash and Cash Equivalents	1,031,837	932,935	1,212,157	1,598,464	883,647
Short-term Investments	1,165,689	1,553,813	1,307,893	1,044,366	1,424,171
Restricted Cash and time deposits	338,689	226,100	226,100	65,100	650,245
Time Deposits & Restricted Time Deposits	60,406	114,247	115,733	116,785	62,763
Short-term Bank Loans	302,756	215,180	213,392	61,521	787,558
Advance from Customers	84,098	102,074	102,469	106,366	72,376
Deferred Revenue	561,119	665,936	780,827	815,603	816,025

Note 1. Non-GAAP net income is defined to exclude share-based compensation charge, the goodwill impairment and the gain from disposal of discontinued operations (net of tax) from net income.

## Our Strategies

- n Further Expand and Diversify Our Game Portfolio
- n Enhance User Experience to Increase Monetization of Our Games
- n Increase Our Focus on International Expansion
- n Strengthen Leading-edge Technology through Continuous R&D
- n Pursue Strategic Acquisitions, Partnerships and Alliances

## Achievements

- n Proprietary game engines and development platforms
- n Launched a number of popular MMORPGs since January 2006
- n Launched several mobile games since May 2013
- n Games exported to a number of countries and regions in Asia, North America, Latin America and Europe
- n Certified ISO9001: 2000 Customer Service
- n Certified ISO9001: 2008 Quality Management System

## Investment Highlights

- n Growth in a large and rapidly growing online game market
- n Leading market position in 3D online games in China
- n Proprietary technology capabilities
- n Extensive experience & deep customer understanding
- n Strong and consistent operations
- n Experienced management team & game development personnel

## Our Products: Client-based Games (Self-developed)



### Perfect World

Our first 3D adventure and fantasy MMORPG with traditional Chinese settings.



### Perfect World II

A 3D MMORPG set in a similar content and graphic background as "Perfect World" with improved playing method and optimized visual effects. Adopting an item-based revenue model, "Perfect World II" is the first game we licensed to overseas game operators.



### Legend of Martial Arts

A 3D cartoon adventure MMORPG based on a popular TV drama series about the story of Chinese swordsmen set in an ancient kingdom.



### Zhu Xian

A 3D MMORPG developed based on a popular Internet novel with martial arts focused adventure set in a fantasy world.



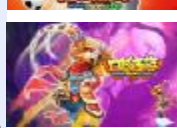
### Chi Bi

Our first war epic 3D MMORPG based on Chinese history, the famous Three Kingdoms period.



### Hot Dance Party

Our first 3D online casual game which allows players to enjoy dancing game play in a captivating 3D game environment with a variety of background music choices.



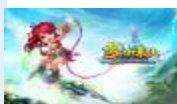
### Pocketpet Journey West

A pet-themed 3D cartoon MMORPG based on "Journey to the West," one of the four great classical novels of Chinese literature.



### Battle of the Immortals

Our first 2.5D mysterious adventure MMORPG, which features themes ranging from Norse mythology to the history of China's Qin Dynasty, allows online game players to travel between Eastern and Western cultures.



### Fantasy Zhu Xian

Our first 2D turn-based MMORPG based on a popular internet fantasy novel "Zhu Xian." The game represents the world of "Zhu Xian" in a refreshing cartoon style.



### Forsaken World

A 3D MMORPG set against the backdrop of a fantasy world. In the game, a fantasy world called "Grand Mundo" is created where players themselves alter the fate of "Grand Mundo" through their individual actions in the game.



### Empire of the Immortals

The second title in "Immortals" franchise. Featuring the international style of the "Immortals" series, this game runs on an upgraded "Cube" engine to render exciting visual effects, innovative game play and battle modes.



### Return of the Condor Heroes

A 2D turn-based MMORPG adapted from Louis Cha's acclaimed martial arts novel of the same name.



### Saint Seiya Online

A 3D comic-based MMORPG adapted from the globally famous comic series "Saint Seiya."



### Swordsman Online

A 3D martial arts MMORPG adapted from Louis Cha's acclaimed classic martial arts novel.



### Holy King

A 3D fantasy MMORPG adapted from the popular online novel of the same Chinese name.





## Industry Data (Source: IDC 2014)

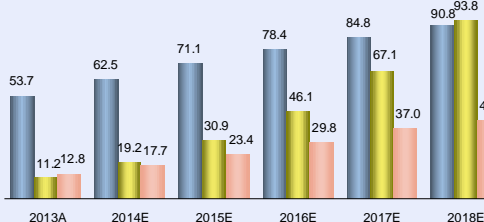
### Client-based Game, Mobile Game & Web Game Revenue in China

(RMB in BN)

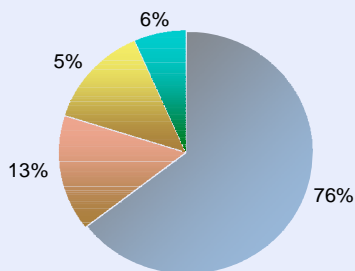
Client-based: CAGR = 11.1%

Mobile: CAGR = 52.9%

Web: CAGR = 26.3%

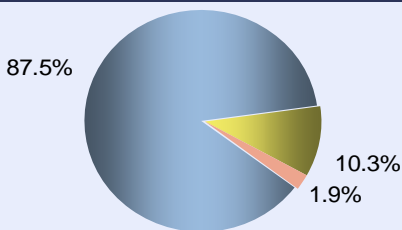


### Revenue from Different Type of Games in China in 2013



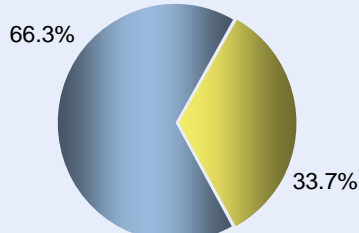
Client-based game revenue  
Web game revenue  
Mobile game revenue  
Others

### Online Game Revenue in China in 2013: Item-based vs. Time-based vs. other revenue model



Item-based revenue model  
Time-based revenue model  
Other revenue model

### Online Game Revenue in China in 2013: Domestically-developed vs. Imported



Domestically-developed online games  
Imported online games

## Our Products: Client-based Games (Licensed)

**DOTA2 (at early stage of commercialization):** A world-famous online game with a unique mix of action, RTS and RPG gameplay. We have obtained exclusive rights to operate this game in mainland China.



## Our Products: Web Games & Mobile Games

**Rise of Europe:** a 2D SLG web game



**Touch:** a 3D dancing web game

**Legend of Chu and Han:** a 2D card mobile game



**Rise of The King:** a 2D SLG mobile game



**Return of the Condor Heroes:** a 2D turn-based cartoon-style RPG mobile game



**Fantasy of the Immortals:** a 3D RPG mobile game



**Forsaken World:** a 3D mysterious fantasy MMORPG mobile game



**CrossGate Mobile:** a 2D turn-based cartoon-style RPG mobile game



## Our Products: Direct Operations through our Overseas Subsidiaries

### North America & Europe



Perfect World II



Pocketpet Journey West



Zhu Xian



Battle of the Immortals



Forsaken World



Empire of the Immortals



Swordsman Online



Champions Online



Star Trek Online



Torchlight



Torchlight 2



Neverwinter



Rusty Hearts



Blacklight Retribution



RaiderZ

### Japan



Perfect World II



Zhu Xian



Forsaken World



Empire of the Immortals



Torchlight 2



Swordsman Online

### Southeast Asia



Chi Bi



Zhu Xian



Torchlight 2



Perfect World II



Swordsman Online

### Korea



Battle of the Immortals



Forsaken World

## Pipeline

We currently have a number of exciting games in our pipeline, such as our client-based MMORPG "Legend of the Condor Heroes," as well as a number of web and mobile games.

## Recent Developments

### Client-based Games:

n Rolled out expansion packs, including:

- “Desert Maze” for “Swordsman Online” on April 18, 2014
- “Covenant of the Wolf” for “Fantasy Zhu Xian” on April 25, 2014
- “Rage of Hades” for “Saint Seiya Online” on May 22, 2014
- “Raider Unleashed” for “Zhu Xian” on June 3, 2014
- “Forsaken World 2.0” for “Forsaken World” on June 25, 2014
- “Shaolin Kongfu” for “Return of the Condor Heroes” on July 17, 2014
- “Call of Jianghu” for “Legend of Martial Arts” on August 14, 2014
- “The Wonder Magician” for “Battle of the Immortals” on August 19, 2014

### Mobile Games:

n In June 2014, launched 3D mysterious fantasy MMORPG mobile game “Forsaken World.”

n In July 2014, launched 2D turn-based cartoon-style RPG mobile game “CrossGate Mobile.”

### Overseas Operations:

n In June 2014, launched “Swordsman Online” in Singapore and Malaysia through its subsidiary in Southeast Asia, and in Japan through its Japanese subsidiary, respectively.

n In July 2014, launched the English, French and German versions of “Swordsman Online” in North America and Europe through its overseas subsidiaries; launched its “Swordsman Online” in Thailand through its subsidiary in Southeast Asia.

### Overseas Licensing Agreement:

n In June 2014, Signed an agreement with PT. Interactive Prima Online, an online game publisher in Indonesia, to license “Swordsman Online” to Indonesia.

### Corporate:

n Recently, entered into a share purchase agreement to acquire a total of 30,326,005 class A ordinary shares of Shanda Games Limited (NASDAQ: GAME) (“Shanda Games”), a leading online game developer, operator and publisher in China. Pursuant to the share purchase agreement, we acquired these shares from a wholly-owned subsidiary of Shanda Interactive Entertainment Limited, the controlling shareholder of Shanda Games, for a total consideration of US\$100 million in cash. In addition, we have also entered into an adherence agreement to become a party to the consortium agreement dated as of January 27, 2014 between Shanda Interactive Entertainment Limited and Primavera Capital (Cayman) Fund I L.P., an affiliate of Primavera Capital Limited, and participate as a new member of the consortium in the proposed “going private” transaction with respect to Shanda Games.

## IR Contact

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