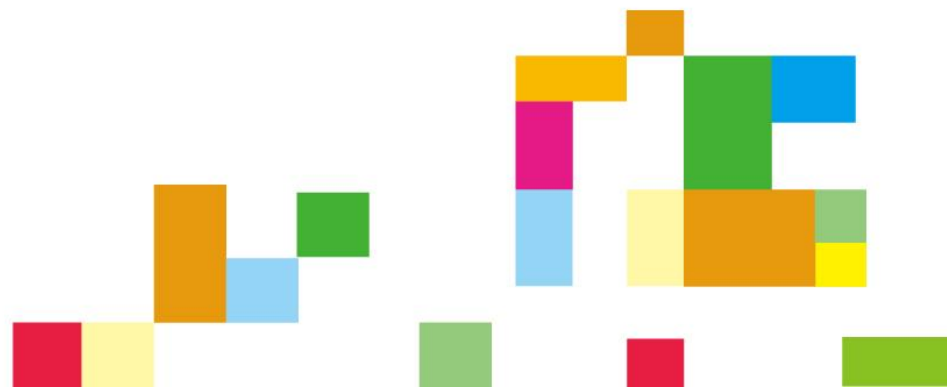




KongZhong Corporation (NASDAQ: KONG) Emerging Leader in Internet / Mobile Games

May 2013
Post 1Q 2013 Results Presentation



Safe Harbor Statement



This press release contains “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, as amended. Such forward-looking statements include, without limitation, statements regarding trends in the wireless value-added services, wireless media, mobile games and online games industries and our future results of operations, financial condition and business prospects. Although such statements are based on our own information and information from other sources we believe to be reliable, you should not place undue reliance on them. These statements involve risks and uncertainties, and actual market trends and our results may differ materially from those expressed or implied in these forward looking statements for a variety of reasons. Potential risks and uncertainties include, but are not limited to, continued competitive pressure in China’s wireless value-added services, wireless media, mobile games and online games industries and the effect of such pressure on revenues; our ability to develop new products that are commercially successful; unpredictable changes in technology, consumer demand and usage preferences in the markets we operate; our ability to protect our intellectual property rights; the short operating history of certain of our business segments, in particular the online games segment; the state of and any change in our relationship with China’s telecommunications operators; our dependence on the billing systems of telecommunications operators for our performance; the outcome of our investment of operating income generated from the WVAS segment into the development of our wireless Internet, mobile games and online games segments; changes in the regulations or policies of the Ministry of Industry and Information Technology and other government authorities relevant to our businesses; and changes in political, economic, legal and social conditions in China, including the Chinese government’s policies with respect to economic growth, foreign exchange, foreign investment and entry by foreign companies into China’s telecommunications and online games markets. For additional discussion of these risks and uncertainties and other factors, please see the documents we file from time to time with the Securities and Exchange Commission. We assume no obligation to update any forward-looking statements, which apply only as of the date of this press release.



1Q 2013 Results Overview



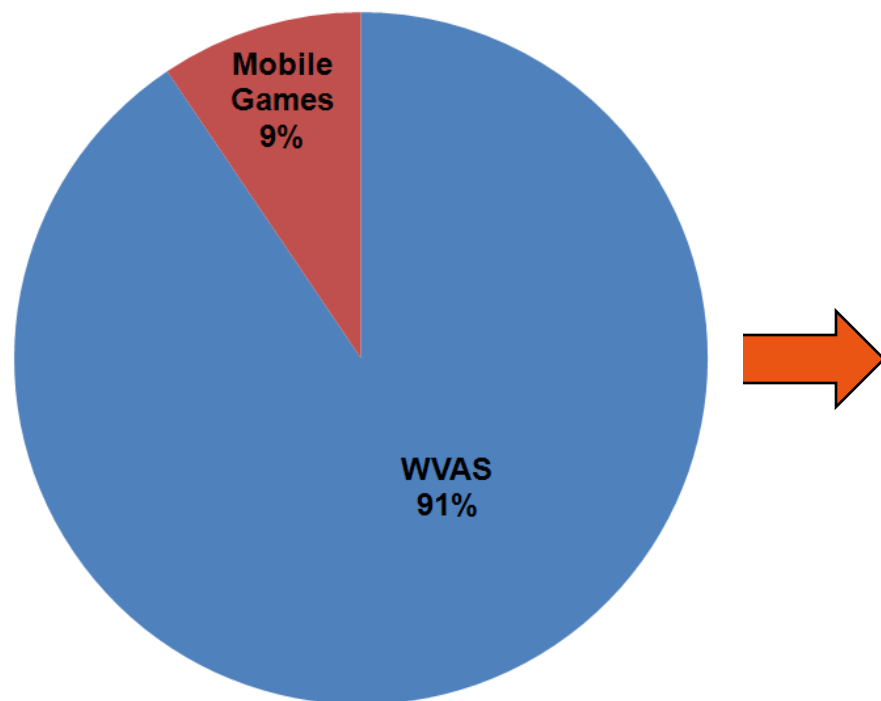
- Total 1Q13 revenues of US\$ 47.94 mn up 12% QoQ
- Total 1Q13 Internet Game revenues US\$ 28.38 mn up 48% YoY and 19% QoQ. Driven by WoT Chinese Tank Series introduction.
- Total 1Q13 NPAT US\$ 6.81 mn up 43% QoQ
- Total 1Q13 Non-GAAP NPAT US\$ 8.897 mn up 15% QoQ
- As of April 9th 2013, re-purchased total of 1.955 mn ADS since Nov 2012 share buyback plan announced at average price of US\$ 6.14 / ADS



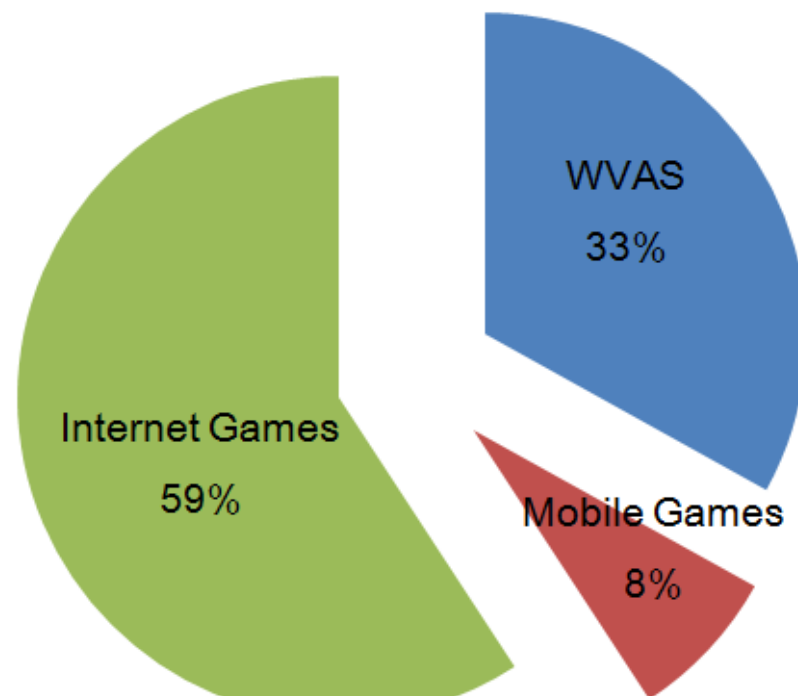
From WVAS to Internet / Smartphone Games



3Q08 Revenue Mix

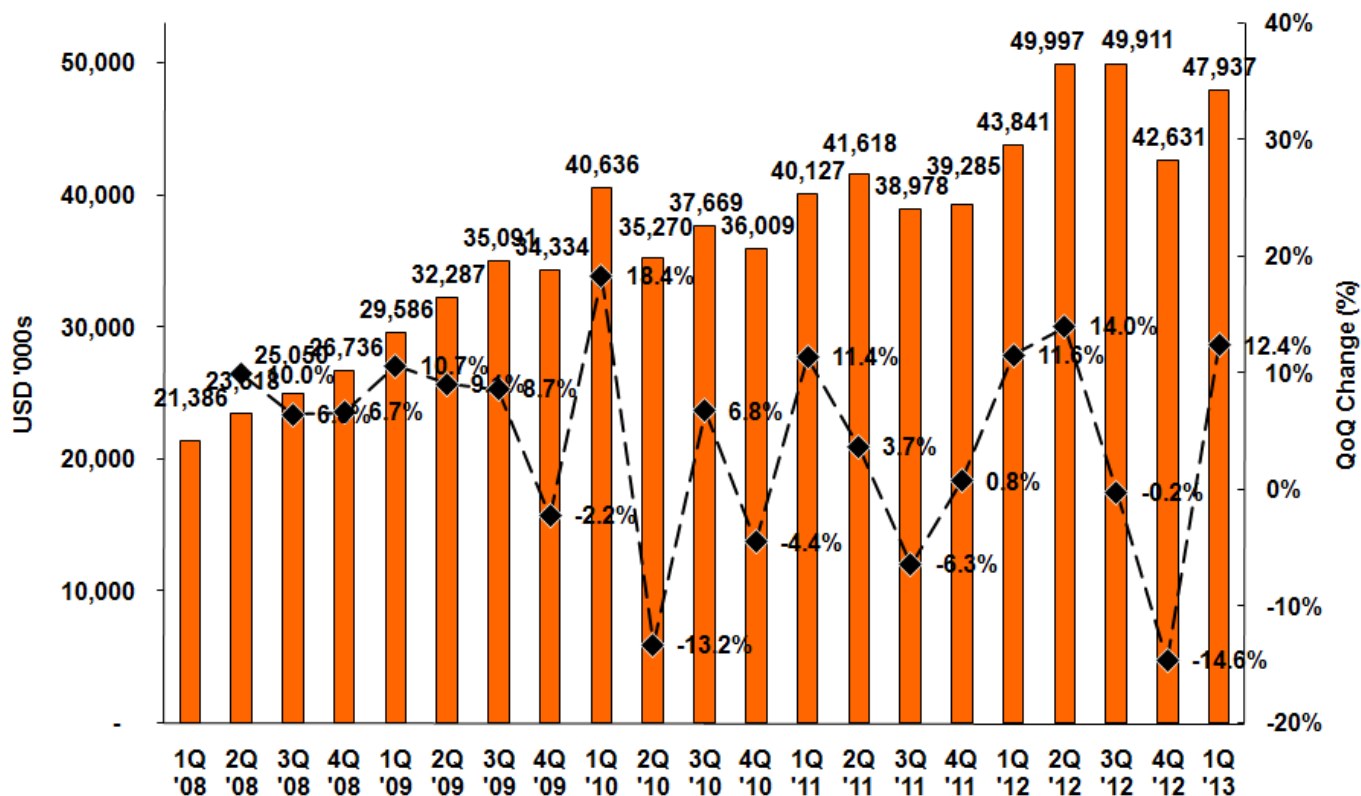


1Q13 Revenue Mix



1Q13 Total Revenues

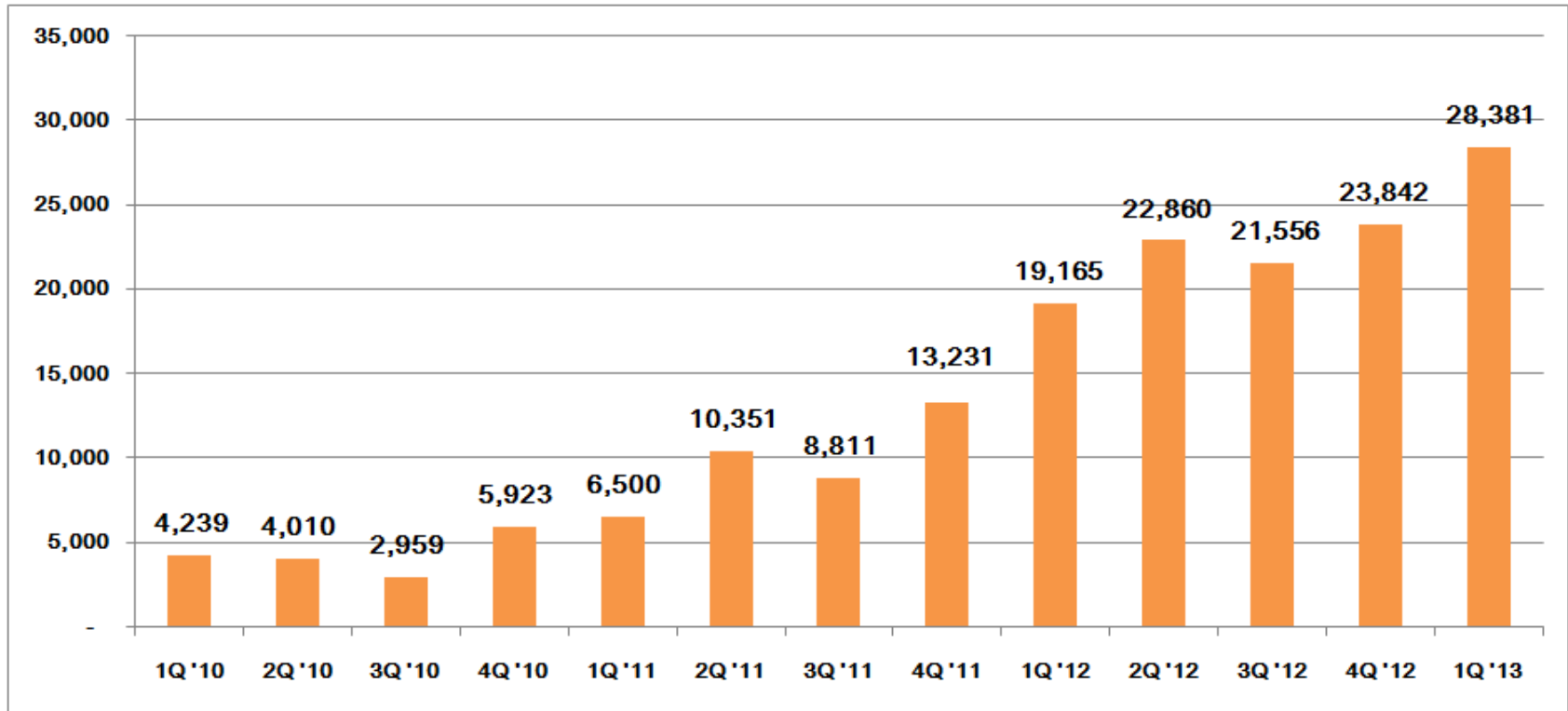
- Total 1Q13 revenues rebounded from 4Q levels due to more stable WVAS and WoT Chinese tank series introduction



Internet Game Revenues – WoT key driver

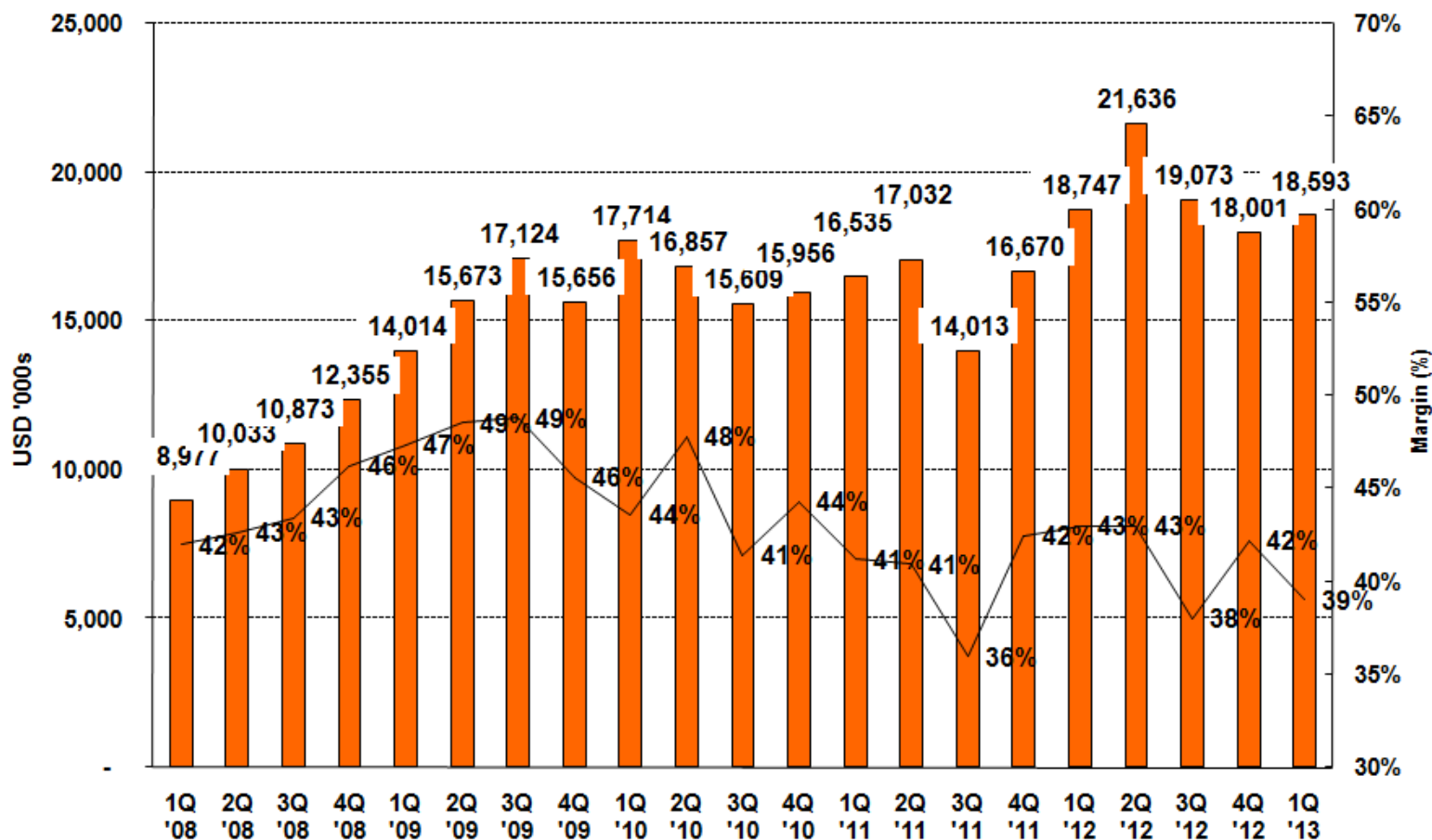


- 1Q13 Internet Game revenues driven by WoT Chinese tank series introduction
- Offset by continued weakness in self-developed Internet games
- Expect US\$ 25.5 mn in Internet Game revenues in 2Q13



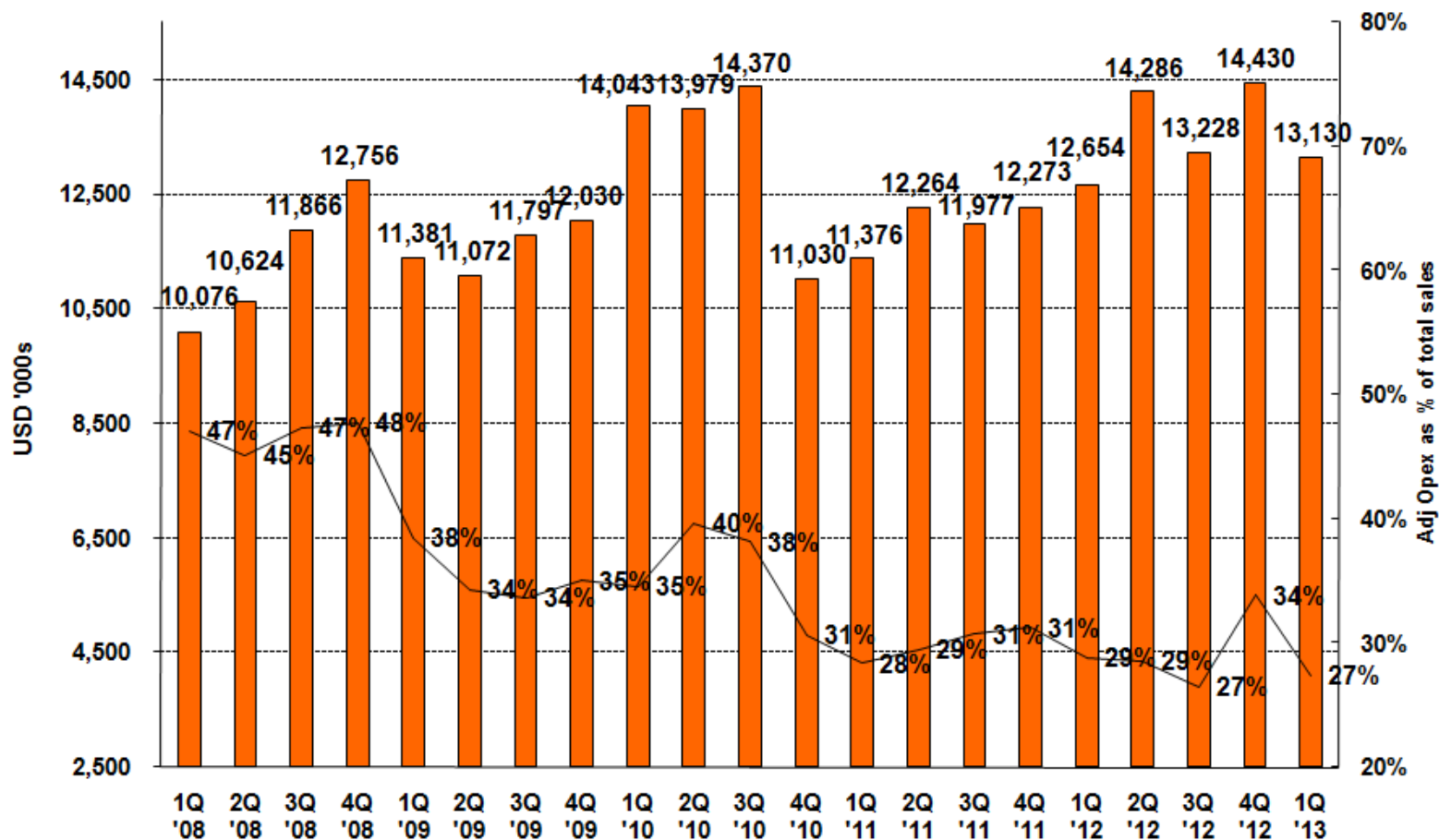
In USD '000s

1Q13 Gross Profit



• Non-GAAP Financial Measures are described and reconciled to the corresponding GAAP measures in the section titled “Non-GAAP Financial Measures” in our corresponding financial reports / earnings releases

1Q13 Operating Expenses

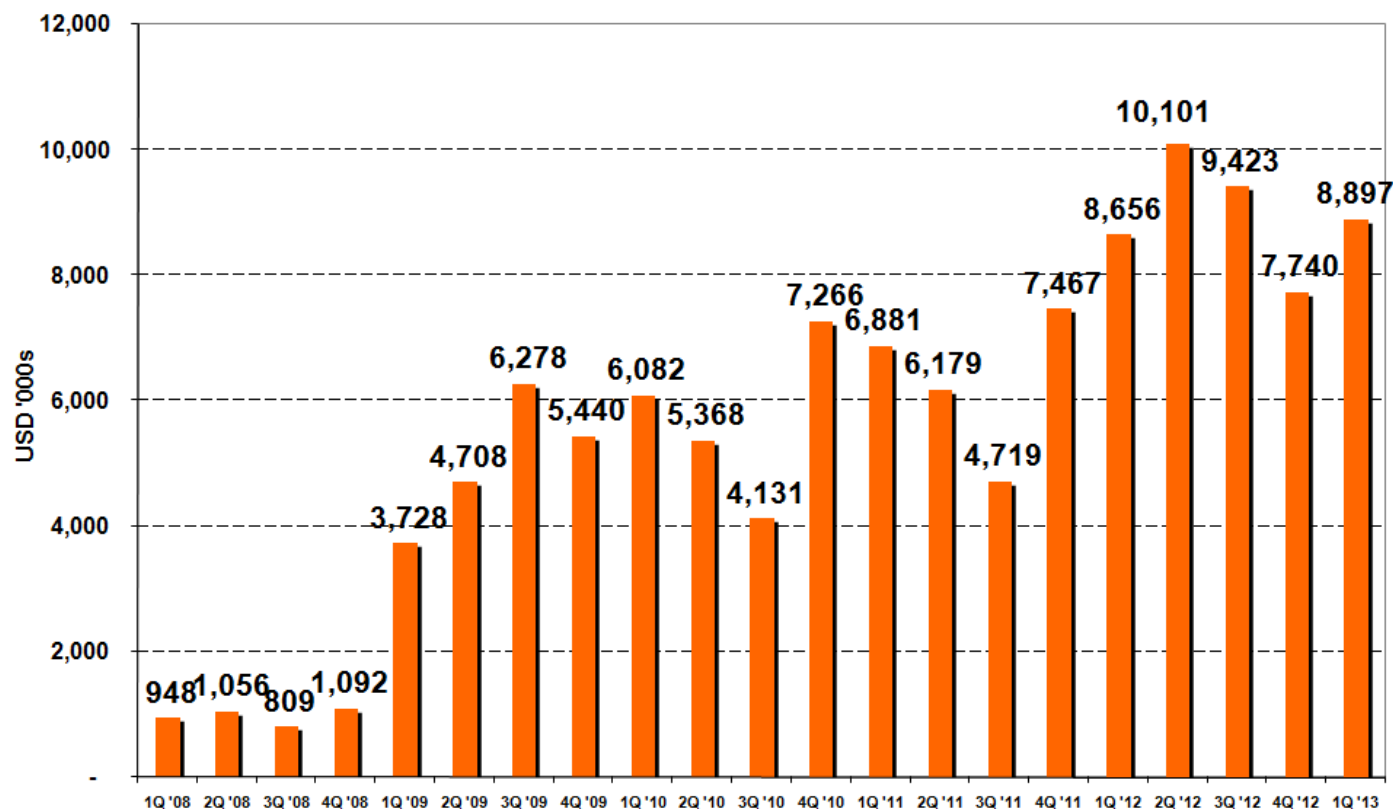


• Non-GAAP Financial Measures are described and reconciled to the corresponding GAAP measures in the section titled “Non-GAAP Financial Measures” in our corresponding financial reports / earnings releases

1Q13 Non-GAAP Net Profit



- 1Q13 Non-GAAP NPAT improved from 4Q12 due to WoT Chinese tank series introduction and cost savings in sales and marketing / stock compensation expenses
- 2Q13 Non-GAAP NPAT guidance US\$ 6.5 mn to US\$ 7.5 mn

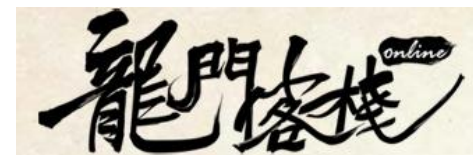


• Non-GAAP Financial Measures are described and reconciled to the corresponding GAAP measures in the section titled “Non-GAAP Financial Measures” in our corresponding financial reports / earnings releases

Internet Games



Our 2013 / 2014 Internet Game Pipeline



新流星搜劍錄



1Q13 Internet Game Metrics



| | 3-mths | 3-mths | 3-mths | 3-mths | 3-mths | 3-mths | 3-mths | 3-mths | 3-mths | 3-mths | 3-mths | 3-mths | 3-mths | QoQ | YoY |
|------------------------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|---------|---------|
| US\$ '000s | 1Q '10 | 2Q '10 | 3Q '10 | 4Q '10 | 1Q '11 | 2Q '11 | 3Q '11 | 4Q '11 | 1Q '12 | 2Q '12 | 3Q '12 | 4Q '12 | 1Q '13 | Chg (%) | Chg (%) |
| NET Game Revs | 4,239 | 4,011 | 2,959 | 5,922 | 6,500 | 10,351 | 8,811 | 13,231 | 19,165 | 22,860 | 21,556 | 23,842 | 28,381 | 19% | 48% |
| Overseas -% | 7% | 37% | 18% | 39% | 23% | 20% | 12% | 7% | 6% | 9% | 6% | 4% | 2% | | |
| Net Game % of til revs | 10% | 11% | 8% | 16% | 16% | 25% | 23% | 34% | 44% | 46% | 43% | 56% | 59% | | |
| | | | | | | | | | | | | | | | |
| ACUs ('000s) | 77 | 75 | 69 | 81 | 66 | 157 | 157 | 194 | 228 | 302 | 286 | 300 | 364 | 21% | 60% |
| APAs ('000s) | 185 | 115 | 69 | 120 | 218 | 445 | 450 | 570 | 744 | 821 | 781 | 832 | 950 | 14% | 28% |
| ARPU (RMB) - qtr | 172 | 149 | 240 | 204 | 150 | 121 | 111 | 137 | 153 | 161 | 165 | 173 | 184 | 6% | 20% |
| | | | | | | | | | | | | | | | |
| China operations revs | 3,925 | 2,524 | 2,435 | 3,620 | 4,980 | 8,289 | 7,776 | 12,294 | 18,108 | 20,912 | 20,323 | 22,855 | 27,811 | 22% | 54% |
| Overseas revs | 314 | 1,487 | 524 | 2,302 | 1,520 | 2,062 | 1,035 | 937 | 1,057 | 1,949 | 1,233 | 987 | 570 | -42% | -46% |

- 1Q13 Internet Game revenues driven by WoT Chinese tank series introduction
- Offset by continued weakness in self-developed Internet games
- Expect US\$ 25.5 mn in Internet Game revenues in 2Q13



• Note: 1Q11 figures only include WoT ACU / APA as of March 2011

World of Tanks – Team-based MMO Game



- Commercialized March 15th 2011
- One of top (top 20) most searched games in China according to Baidu search ranking
- Working closely with Wargaming to deploy new and timely content to WoT China users (China Tank Series planned in 1Q 2013)
- Continue to build up loyal WoT community while developing Net Café and e-sports



Strategic Partnership with Wargaming.net



- On May 14th 2012, announced strategic partnership with Wargaming.net, developer of World of Tanks
- World of Tanks – Extended initial 3-year agreement into no time limited, long-term operating rights
- World of Warplanes – Signed exclusive and long-term rights for China, expected testing mid-2013
- World of Warships-- Signed exclusive and long-term rights for China, expected testing 2014
- Future Wargaming.net games (including mobile games) – Right of first offer for mainland China



Exclusive for Mainland China



Time Magazine's Game of 2012



Hawken (Meteor Entertainment)



- In August 2012 announced partnership to bring Hawken exclusively to China
- Hawken is a free-to-play first person mech combat shooter.
- OBT on 12.12.12
- Same VC backers as RIOT Games / League of Legends



Offensive Combat – Social / Browser-based FPS



- From the creator of Call of Duty: Facebook's 1st Console-Quality First Person Shooter featuring the most competitive multiplayer action ever seen inside a browser.



Dragon's Inn

- 3D side-scrolling action / fighting game, similar to DNF
- Expect small-scale beta test sometime in 1Q 2013



Soul's Edge – Under Development



- 3D Martial Arts
“Wu Xia” MOBA
game
- KONG self-
developed by
experienced Xbox
360 development
team in Shanghai
- Beta testing to
begin in 2013

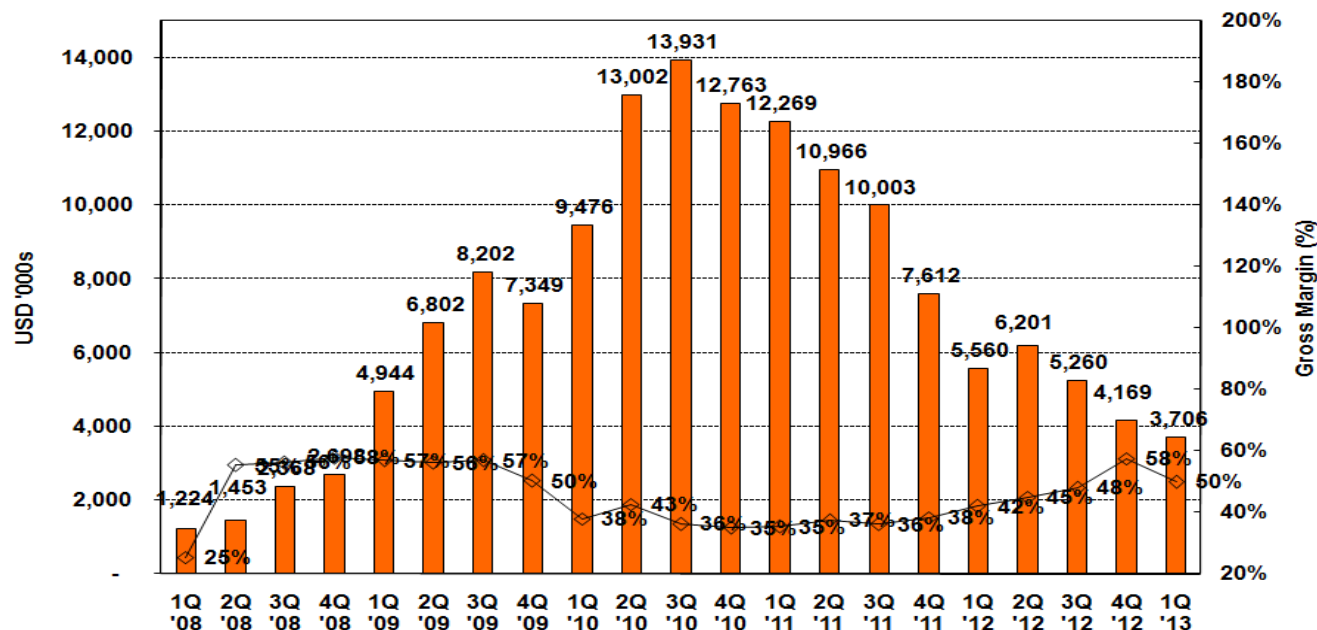
新流星搜剑录



Smartphone Games



Mobile Games – Pivoting to Smartphone



- 1Q13 feature phone mobile games stabilized, but smartphone games impacted by pause in new game launches, until 2Q / 3Q 2013.

- 2Q13 mobile game revenue guidance US\$ 3.5 mn

| Mobile Games | 1Q 2013 | 4Q 2012 | 3Q 2012 | QoQ % | Mix (%) |
|--------------|---------|---------|---------|-------|---------|
| Featurephone | 2,363 | 2,125 | 3,483 | 11% | 63.8% |
| Smartphone | 1,343 | 2,043 | 1,778 | -34% | 36.2% |
| Total | 3,706 | 4,169 | 5,261 | -11% | |



Smartphone Mobile Game Engine



- Noumena Smartphone Game Engine Acquired in early 2012 (Handymo)
- Proprietary engine, supports cost effective development of multi-platform smartphone games, including IOS and Android
- Over 200+ development team on Handymo with feature phone, smartphone and PC MMORPG game development experience
- Merged significant portion of Dacheng PC MMORPG development team into KONG smartphone game in 2nd half 2012
- Plan to develop 10+ mid-core Smartphone games in 2013



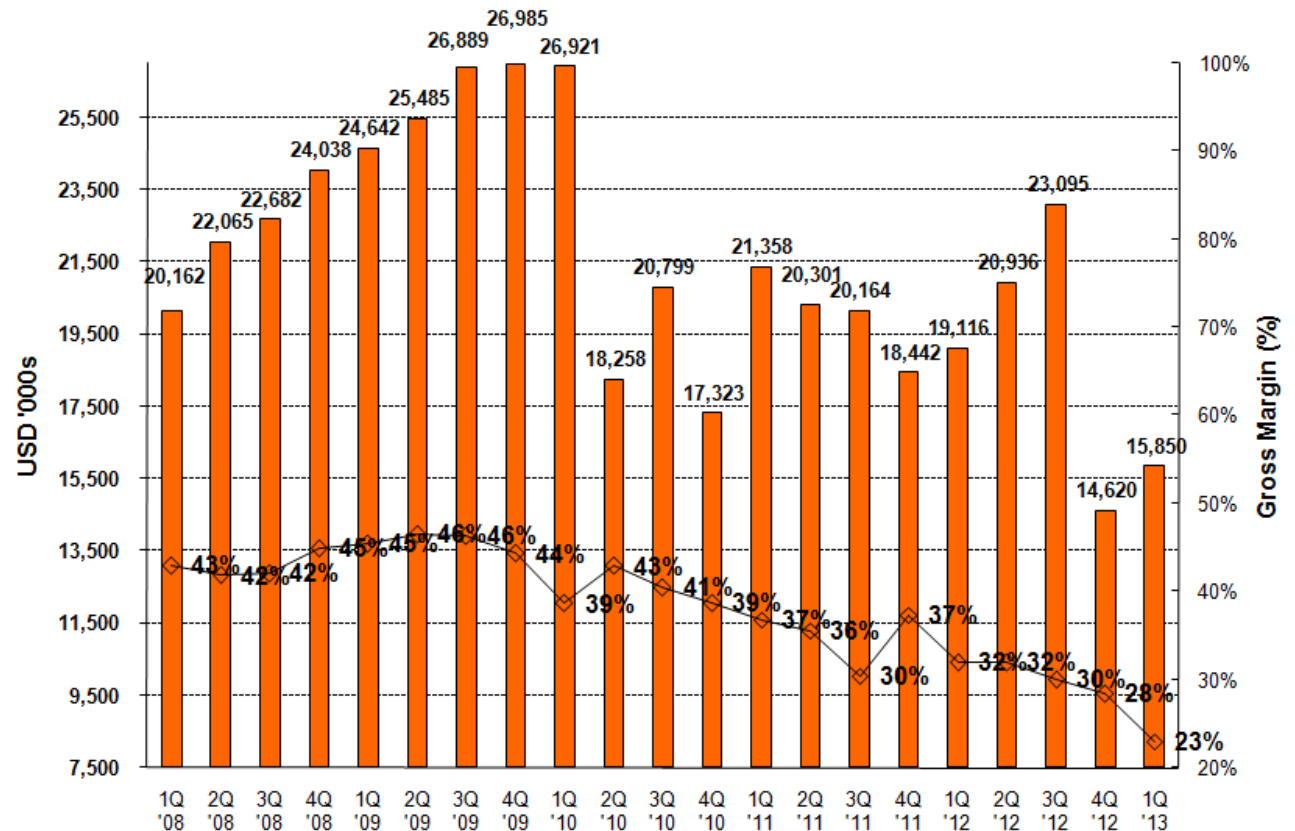
WVAS



WVAS: Remains difficult – Focus on cashflow



- New mobile operator policies were introduced in 4Q09 / 1Q10 with first full qtr impact in 2Q10
- Expect WVAS policy environment to remain difficult
- KONG strategy is to organically grow our Internet game business to be less dependent on WVAS
- 2Q13 WVAS revenue guidance US\$ 15.0 mn



Company Guidance - 2Q 2013



2Q 2013 Guidance



Business Outlook (For the 3-month period ending June 30, 2013):

- The Company expects total revenues for 2Q13 to be within the range of US\$ 43.5 mn to US\$ 44.5 mn, with business unit revenues at the mid-point expected to roughly consist of:
 - WVAS revenues of US\$ 15 mn,
 - Mobile game revenues of US\$3.5 mn and;
 - Internet Game revenues of US\$ 25.5 mn.
- The Company expects total gross profit to be within the range of US\$ 17 mn to US\$ 18 mn, total operating profit to be US\$ 5.5 mn to US\$ 6.5 mn, net profit to be US\$ 5.5 mn to US\$ 6.5 mn, and Non-GAAP net profit is expected to be US\$ 6.5 mn to US\$ 7.5 mn.



Company Financials



Key Business Segments



| in US\$ '000s | 3-mths 1Q '10 | 3-mths 2Q '10 | 3-mths 3Q '10 | 3-mths 4Q '10 | 3-mths 1Q '11 | 3-mths 2Q '11 | 3-mths 3Q '11 | 3-mths 4Q '11 | 3-mths 1Q '12 | 3-mths 2Q '12 | 3-mths 3Q '12 | 3-mths 4Q '12 | 3-mths 1Q '13 | QoQ (%) | YoY (%) |
|-------------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|--------------|--------------|
| Revenues | 40,636 | 35,270 | 37,669 | 36,009 | 40,127 | 41,618 | 38,978 | 39,285 | 43,841 | 49,997 | 49,911 | 42,631 | 47,937 | 12.4% | 9.3% |
| WVAS | 26,921 | 18,258 | 20,779 | 17,323 | 21,358 | 20,301 | 20,164 | 18,442 | 19,116 | 20,936 | 23,095 | 14,620 | 15,850 | 8.4% | -17.1% |
| Mobile Games | 9,476 | 13,002 | 13,931 | 12,763 | 12,269 | 10,966 | 10,003 | 7,612 | 5,560 | 6,201 | 5,260 | 4,169 | 3,706 | -11.1% | -33.3% |
| Net Games | 4,239 | 4,010 | 2,959 | 5,923 | 6,500 | 10,351 | 8,811 | 13,231 | 19,165 | 22,860 | 21,556 | 23,842 | 28,381 | 19.0% | 48.1% |
| Sales tax | 825 | 794 | 694 | 896 | 839 | 986 | 941 | 1,062 | 1,381 | 1,539 | 1,461 | 1,412 | 1,822 | 29.0% | 31.9% |
| WVAS | 475 | 474 | 407 | 228 | 381 | 370 | 367 | 272 | 277 | 303 | 294 | 178 | 211 | 18.5% | -23.8% |
| Mobile Games | 252 | 253 | 225 | 195 | 178 | 166 | 154 | 124 | 86 | 66 | 38 | 30 | 41 | 36.7% | -52.3% |
| Net Games | 98 | 67 | 62 | 473 | 280 | 450 | 420 | 666 | 1,018 | 1,170 | 1,129 | 1,204 | 1,570 | 30.4% | 54.2% |
| Gross Profit | 17,714 | 16,857 | 15,609 | 15,956 | 16,535 | 17,032 | 14,013 | 16,670 | 18,747 | 21,636 | 19,073 | 18,001 | 18,593 | 3.3% | -0.8% |
| WVAS | 10,404 | 7,833 | 8,425 | 6,706 | 7,866 | 7,224 | 6,132 | 6,894 | 6,140 | 6,781 | 6,982 | 4,156 | 3,615 | -13.0% | -41.1% |
| Mobile Games | 3,623 | 5,546 | 5,047 | 4,459 | 4,331 | 4,106 | 3,620 | 2,923 | 2,341 | 2,763 | 2,530 | 2,402 | 1,862 | -22.5% | -20.5% |
| Net Games | 3,687 | 3,478 | 2,137 | 4,791 | 4,338 | 5,702 | 4,261 | 6,853 | 10,266 | 12,092 | 9,561 | 11,443 | 13,116 | 14.6% | 27.8% |
| Gross Margin (%) | 44% | 48% | 41% | 44% | 41% | 41% | 36% | 42% | 43% | 43% | 38% | 42% | 39% | | |
| WVAS | 39% | 43% | 41% | 39% | 37% | 36% | 30% | 37% | 32% | 32% | 30% | 28% | 23% | | |
| Mobile Games | 38% | 43% | 36% | 35% | 35% | 37% | 36% | 38% | 42.1% | 45% | 48% | 57.6% | 50% | | |
| Net Games | 87% | 87% | 72% | 81% | 67% | 55% | 48% | 52% | 53.6% | 53% | 44% | 48% | 46% | | |
| Revenue Mix (%) | | | | | | | | | | | | | | | |
| WVAS | 66% | 52% | 55% | 48% | 53% | 49% | 52% | 47% | 44% | 42% | 46% | 34% | 33% | | |
| Mobile Games | 23% | 37% | 37% | 35% | 31% | 26% | 26% | 19% | 13% | 12% | 11% | 10% | 8% | | |
| Net Games | 10% | 11% | 8% | 16% | 16% | 25% | 23% | 34% | 44% | 46% | 43% | 56% | 59% | | |



Income Statement



| in US\$ '000s | 3-mths 1Q '10 | 3-mths 2Q '10 | 3-mths 3Q '10 | 3-mths 4Q '10 | 3-mths 1Q '11 | 3-mths 2Q '11 | 3-mths 3Q '11 | 3-mths 4Q '11 | 3-mths 1Q '12 | 3-mths 2Q '12 | 3-mths 3Q '12 | 3-mths 4Q '12 | 3-mths 1Q '13 | QoQ (%) | YoY (%) |
|--|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------|------------|
| Revenues | 40,636 | 35,270 | 37,669 | 36,009 | 40,127 | 41,618 | 38,978 | 39,285 | 43,841 | 49,997 | 49,911 | 42,631 | 47,937 | 12% | 9% |
| Cost of revenues | 22,097 | 17,619 | 21,366 | 19,157 | 22,753 | 23,600 | 24,024 | 21,553 | 23,713 | 26,822 | 29,377 | 23,218 | 27,522 | 19% | 16% |
| Sales tax | 825 | 794 | 694 | 896 | 839 | 986 | 941 | 1,062 | 1,381 | 1,539 | 1,461 | 1,412 | 1,822 | | |
| Gross profit | 17,714 | 16,857 | 15,609 | 15,956 | 16,535 | 17,032 | 14,013 | 16,670 | 18,747 | 21,636 | 19,073 | 18,001 | 18,593 | 3% | -1% |
| Gross margin (%) | 44% | 48% | 41% | 44% | 41% | 41% | 36% | 42% | 43% | 43% | 38% | 42% | 39% | | |
| Operating expenses | | | | | | | | | | | | | | | |
| Product development | 6,841 | 6,144 | 6,209 | 4,771 | 3,606 | 3,952 | 3,960 | 3,899 | 4,080 | 4,424 | 4,554 | 5,325 | 6,136 | | |
| Sales and marketing | 4,406 | 5,143 | 5,302 | 4,125 | 4,831 | 5,351 | 5,074 | 5,636 | 5,712 | 7,147 | 5,802 | 5,926 | 4,568 | | |
| General & administrative | 2,796 | 2,692 | 2,859 | 2,134 | 2,939 | 2,961 | 2,943 | 2,738 | 2,862 | 2,715 | 2,872 | 3,179 | 2,426 | | |
| Goodwill impairment/intangibles | - | - | - | 8,729 | - | - | 20,259 | - | - | - | - | - | - | | |
| Total operating expenses | 14,043 | 13,979 | 14,370 | 19,759 | 11,376 | 12,264 | 32,236 | 12,273 | 12,654 | 14,286 | 13,228 | 14,430 | 13,130 | -9% | 4% |
| Govt subsidy | - | - | - | - | - | - | - | - | - | 159 | - | 143 | 153 | | |
| Operating profit / (loss) | 3,671 | 2,878 | 1,239 | (3,803) | 5,159 | 4,768 | (18,223) | 4,397 | 6,093 | 7,509 | 5,845 | 3,714 | 5,616 | 51% | -8% |
| Operating margin (%) | 9.0% | 8.2% | 3.3% | -10.6% | 12.9% | 11.5% | -46.8% | 11.2% | 13.9% | 15.0% | 11.7% | 8.7% | 11.7% | | |
| Income (loss) before tax exp | 3,956 | 3,436 | 1,795 | 6,686 | 611 | 5,275 | (16,855) | 6,452 | 7,895 | 9,051 | 7,116 | 5,170 | 7,019 | | |
| Income tax expense | 791 | 859 | 628 | 1,671 | 1,067 | 885 | 402 | 784 | 1,037 | 1,159 | 896 | 400 | 214 | | |
| Net income (loss) | 3,165 | 2,577 | 1,167 | 5,015 | (456) | 4,390 | (17,257) | 5,668 | 6,858 | 7,892 | 6,220 | 4,770 | 6,805 | 43% | -1% |
| Diluted earnings/(loss) per ADS | \$ 0.08 | \$ 0.07 | \$ 0.03 | \$ 0.13 | \$ (0.01) | \$ 0.11 | \$ (0.41) | \$ 0.14 | \$ 0.16 | \$ 0.18 | \$ 0.14 | \$ 0.11 | \$ 0.16 | 46% | -2% |
| ADS diluted (mn) | 38.77 | 38.65 | 38.28 | 39.08 | 37.58 | 42.54 | 41.18 | 41.57 | 41.91 | 43.87 | 43.82 | 42.43 | 41.85 | | |
| Net margin (%) | 7.8% | 7.3% | 3.1% | 13.9% | -1.1% | 10.5% | -44.3% | 14.4% | 15.6% | 15.8% | 12.5% | 11.2% | 14.2% | | |

- Cash and cash equivalents, held-to-maturity securities and restricted cash as of March 31st 2012 = US\$ 185.23 mn or US\$ 4.55 per basic ADS
- For our full financial statements, please see our filings with the SEC



Non-GAAP Net Income



| in US\$ '000s | 3-mths 1Q '10 | 3-mths 2Q '10 | 3-mths 3Q '10 | 3-mths 4Q '10 | 3-mths 1Q '11 | 3-mths 2Q '11 | 3-mths 3Q '11 | 3-mths 4Q '11 | 3-mths 1Q '12 | 3-mths 2Q '12 | 3-mths 3Q '12 | 3-mths 4Q '12 | 3-mths 1Q '13 | QoQ (%) | YoY (%) |
|--|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|--------------|-------------|
| GAAP Net income / (loss) | 3,165 | 2,577 | 1,167 | 5,015 | (456) | 4,390 | (17,257) | 5,668 | 6,858 | 7,892 | 6,220 | 4,770 | 6,805 | | |
| Share-based comp | 1,240 | 1,161 | 1,299 | 1,299 | 1,191 | 1,117 | 1,097 | 1,174 | 1,150 | 1,150 | 1,143 | 1,022 | 556 | | |
| Financial exp on conv notes | 253 | 253 | 277 | 277 | 230 | 82 | 88 | 88 | 63 | - | - | - | - | | |
| Amortisation of Intangibles | 1,424 | 1,377 | 1,388 | 1,330 | 619 | 590 | 532 | 537 | 585 | 1,059 | 2,010 | 1,798 | 1,386 | | |
| Impairments of goodwill/intangibles | - | - | - | 8,729 | - | - | 20,259 | - | - | - | - | - | - | | |
| Change of contingent payable | - | - | - | (10,894) | - | - | - | - | - | - | - | - | - | | |
| Investment impairments loss | - | - | - | 1,510 | - | - | - | - | - | - | - | - | - | | |
| Change in fair value of contingent payable | - | - | - | - | 3,730 | - | - | - | - | - | - | - | - | | |
| Loss on extinguishment | - | - | - | - | 1,567 | - | - | - | - | - | - | - | - | | |
| Imputed interest in LT payables | - | - | - | - | - | - | - | - | - | - | 50 | 150 | 150 | | |
| Non-GAAP Net Income | 6,082 | 5,368 | 4,131 | 7,266 | 6,881 | 6,179 | 4,719 | 7,467 | 8,656 | 10,101 | 9,423 | 7,740 | 8,897 | 14.9% | 2.8% |
| Non-GAAP Income per ADS | \$ 0.15 | \$ 0.13 | \$ 0.10 | \$ 0.18 | \$ 0.17 | \$ 0.14 | \$ 0.11 | \$ 0.18 | \$ 0.21 | \$ 0.23 | \$ 0.21 | \$ 0.18 | \$ 0.21 | | |
| ADS mn | 40.7 | 40.6 | 40.2 | 41.0 | 40.9 | 43.1 | 42.1 | 42.2 | 41.9 | 43.9 | 44.0 | 42.4 | 41.9 | | |



Thanks

Jay Chang

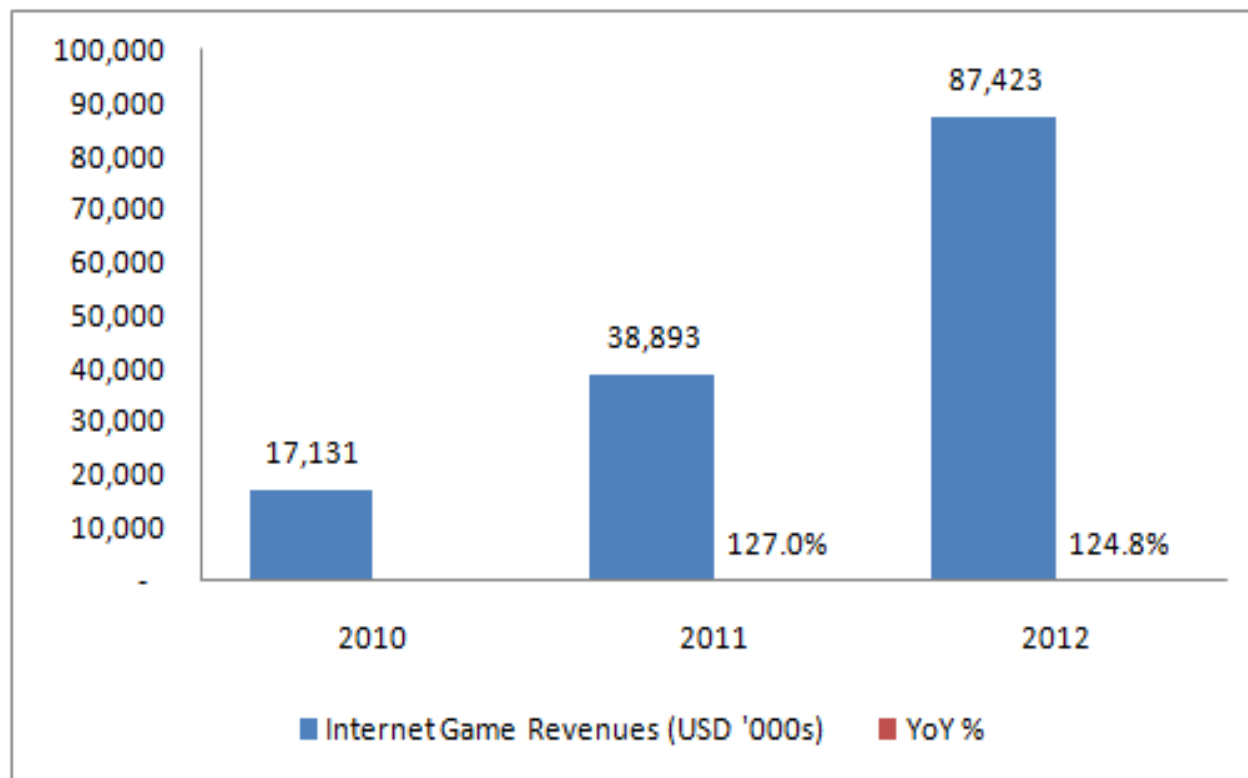
Chief Financial Officer
KongZhong Corporation
jaychang@kongzhong.com
<http://kong.net>
NASDAQ: KONG



2012 Internet Game Revenues



- For the full year 2012, Company growth was driven by Internet Game revenues.
- Over 120% YoY growth, driven by WoT



2012 Non-GAAP NPAT

- For the full year 2012, Company achieved record high Non-GAAP net profits, over 40% from 2011

