

**SOHU.COM INC.**  
**CONDENSED CONSOLIDATED BALANCE SHEETS**  
**(UNAUDITED, IN THOUSANDS)**

	<u>As of Jun. 30, 2006</u>	<u>As of Dec. 31, 2005</u>
		(Audited)
<b>ASSETS</b>		
Cash, cash equivalents and investments in		
marketable debt securities	\$ 132,898	\$ 133,086
Accounts receivable, net	23,749	19,283
Prepaid and other current assets	4,045	4,546
Fixed assets, net	16,717	15,745
Goodwill	51,440	50,918
Intangible assets, net	9,688	11,251
Restricted cash	1,001	991
Other assets, net	4,652	3,861
	<u>\$ 244,190</u>	<u>\$ 239,681</u>
 <b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>		
Accounts payable and accrued liabilities	\$ 34,922	\$ 35,053
Zero coupon convertible senior notes	<u>59,780</u>	<u>74,780</u>
Total liabilities	94,702	109,833
Shareholders' equity	<u>149,488</u>	<u>129,848</u>
	<u>\$ 244,190</u>	<u>\$ 239,681</u>