

**SOHU.COM INC.**  
**PRO FORMA CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS**  
**(UNAUDITED, IN THOUSANDS EXCEPT PER SHARE AMOUNTS)**

	<b>Three Months Ended</b>		
	<b>March 31, 2001</b>	<b>December 31, 2000</b>	<b>March 31, 2000</b>
Revenues:			
Advertising	\$ 2,087	\$ 2,070	\$ 842
Non-advertising	366	109	-
Total revenues	2,453	2,179	842
Pro forma cost of revenues:			
Advertising	1,851	1,994	811
Non-advertising	297	81	-
Total pro forma cost of revenues	2,148	2,075	811
Pro forma gross profit	305	104	31
Pro forma operating expenses:			
Product development	1,639	948	348
Sales and marketing	2,470	3,479	1,533
General and administrative	1,239	1,579	516
Total pro forma operating expenses	5,348	6,006	2,397
Pro forma operating loss	(5,043)	(5,902)	(2,366)
Interest income	799	1,152	31
Pro forma net loss	\$ (4,244)	\$ (4,750)	\$ (2,335)
Shares used in computing pro forma basic and diluted net loss per share	35,626	34,765	25,950
Pro forma basic and diluted net loss per share	\$ (0.12)	\$ (0.14)	\$ (0.09)

Note: The above unaudited pro forma condensed consolidated statements of operations are not a presentation in accordance with generally accepted accounting principles as they give effect to the conversion of all preference shares into common shares and exclude the effects of the following:

- Stock-based compensation of \$20, \$183, and \$201 for the three months ended March 31, 2001, December 31, 2000, and March 31, 2000, respectively;
- Amortization of intangible assets of \$4,202, \$3,335, and \$0 for the three months ended December 31, 1999, December 31, 2000, and March 31, 2000, respectively;
- Accretion on mandatorily redeemable convertible preferred stock of \$0, \$0, and \$1,559 for the three months ended March 31, 2001, December 31, 2000 and March 31, 2000, respectively.

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	Three Months Ended		
	March 31, 2001	December 31, 2000	March 31, 2000
Revenues:			
Advertising	\$ 2,087	\$ 2,070	\$ 842
Non-advertising	366	109	-
Total revenues	2,453	2,179	842
Cost of revenues:			
Advertising	1,851	1,981	817
Non-advertising	297	81	-
Total cost of revenue	2,148	2,062	817
Gross profit	305	117	25
Operating expenses:			
Product development	1,639	942	352
Sales and marketing	2,476	3,503	1,550
General and administrative	1,253	1,757	690
Amortization of intangibles	4,202	3,335	-
Total operating expenses	9,570	9,537	2,592
Operating loss	(9,265)	(9,420)	(2,567)
Interest income	799	1,152	31
Net loss	(8,466)	(8,268)	(2,536)
Accretion on mandatorily redeemable convertible preferred stock	-	-	(1,559)
Net loss attributable to common stockholders	\$ (8,466)	\$ (8,268)	\$ (4,095)
Basic and diluted net loss per share attributable to common stockholders	\$ (0.24)	\$ (0.24)	\$ (0.43)
Shares used in computing basic and diluted net loss per share	35,626	34,765	9,416

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

	<u>March 31, 2001</u>	<u>December 31, 2000</u>
<b>ASSETS</b>		
Current assets:		
Cash and cash equivalents	\$ 57,582	\$ 62,593
Accounts receivable, net	2,014	2,092
Prepaid and other current assets	<u>1,402</u>	<u>1,688</u>
Total current assets	60,998	66,373
Fixed assets, net	7,542	7,404
Intangible assets, net	26,080	30,283
Other assets, net	<u>1,963</u>	<u>1,780</u>
	<u>\$ 96,583</u>	<u>\$ 105,840</u>
 <b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>		
Current liabilities:		
Accounts payable	\$ 572	\$ 1,459
Accrued liabilities	<u>3,387</u>	<u>3,312</u>
Total current liabilities	3,959	4,771
 Commitments and contingencies		
 Shareholders' equity:		
Common Stock	36	36
Additional paid-in capital	129,759	129,759
Deferred compensation and other	(140)	(161)
Accumulated deficit	<u>(37,031)</u>	<u>(28,565)</u>
Total shareholders' equity	<u>92,624</u>	<u>101,069</u>
	<u>\$ 96,583</u>	<u>\$ 105,840</u>