

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

	Three Months Ended		
	Mar. 31, 2003	Dec. 31, 2002	Mar. 31, 2002
Revenues:			
Advertising	\$ 4,476	\$ 4,304	\$ 2,511
Non-advertising	9,935	6,260	2,020
Total revenues	14,411	10,564	4,531
Cost of revenues:			
Advertising	1,602	1,513	1,463
Non-advertising	3,654	2,562	1,448
Total cost of revenues	5,256	4,075	2,911
Gross profit	9,155	6,489	1,620
Operating expenses:			
Product development	1,742	1,549	1,175
Sales and marketing	1,992	2,224	2,015
General and administrative	1,076	1,002	967
Total operating expenses	4,810	4,775	4,157
Operating profit/(loss)	4,345	1,714	(2,537)
Other income/(expense)	(81)	(114)	22
Interest income	327	331	306
Net income/(loss)	4,591	1,931	(2,209)
Basic net income/(loss) per share	\$ 0.13	\$ 0.06	\$ (0.06)
Shares used in computing basic net income/(loss) per share	34,756	34,709	35,626
Diluted net income/(loss) per share	\$ 0.12	\$ 0.05	\$ (0.06)
Shares used in computing diluted net income/(loss) per share	39,186	38,196	35,626
<u>Supplemental Financial Data (1)</u>			
EBITDA calculation:			
Operating profit/(loss)	\$ 4,345	\$ 1,714	\$ (2,537)
Other income/(expense)	(81)	(114)	22
Depreciation and amortization	1,227	1,197	1,183
EBITDA	\$ 5,491	\$ 2,797	\$ (1,332)

(1) In order to fully assess the Company's financial operating results, management believes that EBITDA(earnings before interest, taxes, depreciation and amortization) are appropriate measures of the operating performance of the Company. However, this supplementary financial data should be considered in addition to, not as a substitute for or superior to, operating income, cash flows, or other measures of financial performance prepared in accordance with generally accepted accounting principles.

SOHU.COM INC.
CONSOLIDATED SUMMARY BALANCE SHEET DATA
(UNAUDITED, IN THOUSANDS)

	<u>Mar. 31,</u> <u>2003</u>	<u>Dec. 31,</u> <u>2002</u>
ASSETS		
Cash, cash equivalents and investments in marketable debt securities	\$ 47,442	\$ 44,211
Accounts receivable, net	2,898	1,992
Accounts receivable from a related party	4,818	1,962
Prepaid and other current assets	2,428	2,009
Fixed assets, net	5,897	6,012
Loans to related parties and other assets, net	<u>5,648</u>	<u>5,786</u>
	<u>69,131</u>	<u>61,972</u>
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current liabilities:		
Accounts payable and accrued liabilities	7,207	5,119
Deferred revenues	<u>1,902</u>	<u>1,622</u>
Total current liabilities	9,109	6,741
Shareholders' equity	<u>60,022</u>	<u>55,231</u>
	<u>\$ 69,131</u>	<u>\$ 61,972</u>