

SOHU.COM INC.
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(unaudited, In thousands, except per share data)

	Three Months Ended	
	March 31, 2005	March 31, 2004
Cash flows from operating activities:		
Net income	\$ 5,714	\$ 10,930
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation	1,162	953
Amortization of other assets	357	343
Amortization of intangible assets	456	177
Provision for allowance for doubtful accounts	708	26
Others	125	70
Changes in assets and liabilities:		
Accounts receivable	44	(5,031)
Prepaid and other current assets	173	(402)
Accounts payable	(111)	242
Accrued liabilities	(3,028)	1,954
Net cash provided by operating activities	<u>5,600</u>	<u>9,262</u>
Cash flows from investing activities:		
Proceeds from maturities of marketable debt securities	3,074	3,122
Purchase of other assets	(46)	(130)
Purchase of fixed assets	(3,289)	(2,075)
Acquisitions, net of cash acquired	(1,330)	(98)
Net cash (used in) provided by investing activities	<u>(1,591)</u>	<u>819</u>
Cash flows from financing activities:		
Repurchase of common stock	(13,847)	-
Issuance of common stock	469	645
Net cash (used in) provided by financing activities	<u>(13,378)</u>	<u>645</u>
Net (decrease) increase in cash and cash equivalents	(9,369)	10,726
Cash and cash equivalents at beginning of period	122,384	99,109
Cash and cash equivalents at end of period	<u>\$ 113,015</u>	<u>\$ 109,835</u>