

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

	Three Months Ended			Six Months Ended	
	June 30, 2002	March 31, 2002	June 30, 2001	June 30, 2002	June 30, 2001
Revenues:					
Advertising	\$ 3,363	\$ 2,511	\$ 2,227	\$ 5,874	\$ 4,314
Non-advertising	2,763	2,020	651	4,783	1,017
Total revenues	6,126	4,531	2,878	10,657	5,331
Cost of revenues:					
Advertising	1,495	1,463	1,762	2,958	3,613
Non-advertising	1,600	1,448	522	3,048	819
Total cost of revenue	3,095	2,911	2,284	6,006	4,432
Gross profit	3,031	1,620	594	4,651	899
Operating expenses:					
Product development	1,310	1,175	1,295	2,485	2,933
Sales and marketing	1,872	2,015	2,141	3,887	4,617
General and administrative	984	967	1,197	1,951	2,450
Amortisation of intangibles	-	-	4,202	-	8,405
Total operating expenses	4,166	4,157	8,835	8,323	18,405
Operating loss	(1,135)	(2,537)	(8,241)	(3,672)	(17,506)
Other income/(expense)	(58)	22	-	(36)	-
Interest income	323	306	593	629	1,392
Net loss	\$ (870)	\$ (2,209)	\$ (7,648)	\$ (3,079)	\$ (16,114)
Basic and diluted net loss per share attributable to common stockholders	\$ (0.02)	\$ (0.06)	\$ (0.21)	\$ (0.09)	\$ (0.45)
Shares used in computing basic and diluted net loss per share	35,641	35,626	35,626	35,633	35,626
<b>Supplemental Financial Data (1)</b>					
EBITDA calculation:					
Operating loss	\$ (1,135)	\$ (2,537)	\$ (8,241)	\$ (3,672)	\$ (17,506)
Other income/(expense)	(58)	22	-	(36)	-
Depreciation and amortization	1,270	1,183	5,182	2,453	10,356
EBITDA	\$ 77	\$ (1,332)	\$ (3,059)	\$ (1,255)	\$ (7,150)

(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>June 30,</u> <u>2002</u>	<u>December</u> <u>31, 2001</u>
<b>ASSETS</b>		
Cash, cash equivalents and investments in marketable debt securities	\$ 41,390	\$ 46,236
Accounts receivable, net	3,007	2,710
Prepaid and other current assets	1,793	2,168
Fixed assets, net	7,530	7,953
Other assets, net	<u>5,701</u>	<u>2,891</u>
	<u>59,421</u>	<u>61,958</u>
 <b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>		
Current liabilities:		
Accounts payable and accrued liabilities	3,942	3,915
Deferred revenues	<u>916</u>	<u>462</u>
Total current liabilities	4,858	4,377
 Shareholders' equity	 <u>54,563</u>	 <u>57,581</u>
	<u>\$ 59,421</u>	<u>\$ 61,958</u>