

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

	<u>Three Months Ended</u>			<u>Six Months Ended</u>	
	<u>June 30, 2001</u>	<u>March 31, 2001</u>	<u>June 30, 2000</u>	<u>June 30, 2001</u>	<u>June 30, 2000</u>
Revenues:					
Advertising	\$ 2,227	\$ 2,087	\$ 1,330	\$ 4,314	\$ 2,172
Non-advertising	651	366	-	1,017	-
Total revenues	<u>2,878</u>	<u>2,453</u>	<u>1,330</u>	<u>5,331</u>	<u>2,172</u>
Pro forma cost of revenues:					
Advertising	1,742	1,851	1,172	3,593	1,983
Non-advertising	522	297	-	819	-
Total pro forma cost of revenues	<u>2,264</u>	<u>2,148</u>	<u>1,172</u>	<u>4,412</u>	<u>1,983</u>
Pro forma gross profit	614	305	158	919	189
Pro forma operating expenses:					
Product development	1,274	1,638	543	2,912	891
Sales and marketing	2,115	2,470	2,938	4,585	4,471
General and administrative	1,117	1,239	1,264	2,356	1,780
Total pro forma operating expenses	<u>4,506</u>	<u>5,347</u>	<u>4,745</u>	<u>9,853</u>	<u>7,142</u>
Pro forma operating loss	(3,892)	(5,042)	(4,587)	(8,934)	(6,953)
Interest income	593	799	402	1,392	433
Pro forma net loss	<u>\$ (3,299)</u>	<u>\$ (4,243)</u>	<u>\$ (4,185)</u>	<u>\$ (7,542)</u>	<u>\$ (6,520)</u>
Shares used in computing pro forma basic and diluted net loss per share	<u>35,626</u>	<u>35,626</u>	<u>26,624</u>	<u>35,626</u>	<u>26,287</u>
Pro forma basic and diluted net loss per share	<u>\$ (0.09)</u>	<u>\$ (0.12)</u>	<u>\$ (0.16)</u>	<u>\$ (0.21)</u>	<u>\$ (0.25)</u>
Reconciliation of Proforma to GAAP Net Loss					
Pro forma net loss	\$ (3,299)	\$ (4,243)	\$ (4,185)	\$ (7,542)	\$ (6,520)
Amortization of intangible assets	4,202	4,203	-	8,405	-
Stock-based compensation	147	20	237	167	438
Accretion on mandatorily redeemable convertible preferred stock	-	-	2,106	-	3,665
Total	<u>4,349</u>	<u>4,223</u>	<u>2,343</u>	<u>8,572</u>	<u>4,103</u>
Actual net loss	<u>\$ (7,648)</u>	<u>\$ (8,466)</u>	<u>\$ (6,528)</u>	<u>\$ (16,114)</u>	<u>\$ (10,623)</u>

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	<u>June 30, 2001</u>	<u>March 31, 2001</u>	<u>June 30, 2000</u>	<u>June 30, 2001</u>	<u>June 30, 2000</u>
Revenues:					
Advertising	\$ 2,227	\$ 2,087	\$ 1,330	\$ 4,314	\$ 2,172
Non-advertising	<u>651</u>	<u>366</u>	<u>-</u>	<u>1,017</u>	<u>-</u>
Total revenues	2,878	2,453	1,330	5,331	2,172
Cost of revenues:					
Advertising	1,762	1,851	1,172	3,613	1,989
Non-advertising	<u>522</u>	<u>297</u>	<u>-</u>	<u>819</u>	<u>-</u>
Total cost of revenues	2,284	2,148	1,172	4,432	1,989
Gross profit	594	305	158	899	183
Operating expenses:					
Product development	1,295	1,638	543	2,933	895
Sales and marketing	2,141	2,476	2,951	4,617	4,502
General and administrative	1,197	1,253	1,488	2,450	2,177
Amortization of intangibles	<u>4,202</u>	<u>4,203</u>	<u>-</u>	<u>8,405</u>	<u>-</u>
Total operating expenses	<u>8,835</u>	<u>9,570</u>	<u>4,982</u>	<u>18,405</u>	<u>7,574</u>
Operating loss	(8,241)	(9,265)	(4,824)	(17,506)	(7,391)
Interest income	<u>593</u>	<u>799</u>	<u>402</u>	<u>1,392</u>	<u>433</u>
Net loss	(7,648)	(8,466)	(4,422)	(16,114)	(6,958)
Accretion on mandatorily redeemable convertible preferred stock	<u>-</u>	<u>-</u>	<u>(2,106)</u>	<u>-</u>	<u>(3,665)</u>
Net loss attributable to common stockholders	<u>\$ (7,648)</u>	<u>\$ (8,466)</u>	<u>\$ (6,528)</u>	<u>\$ (16,114)</u>	<u>\$ (10,623)</u>
Basic and diluted net loss per share attributable to common stockholders	<u>\$ (0.21)</u>	<u>\$ (0.24)</u>	<u>\$ (0.69)</u>	<u>\$ (0.45)</u>	<u>\$ (1.13)</u>
Shares used in computing basic and diluted net loss per share	<u>35,626</u>	<u>35,626</u>	<u>9,416</u>	<u>35,626</u>	<u>9,416</u>

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

	June 30, 2001	December 31, 2000
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 54,207	\$ 62,593
Accounts receivable, net	2,362	2,092
Prepaid and other current assets	944	1,688
Total current assets	57,513	66,373
Fixed assets, net	7,404	7,404
Intangible assets, net	21,878	30,283
Other assets, net	1,935	1,780
	\$ 88,730	\$ 105,840
LIABILITIES AND SHAREHOLDERS EQUITY		
Current liabilities:		
Accounts payable	\$ 411	\$ 1,459
Accrued liabilities and deferred revenues	3,165	3,312
Total current liabilities	3,576	4,771
Shareholders' equity:		
Common Stock	36	36
Additional paid-in capital	130,504	129,759
Deferred compensation and other	(707)	(161)
Accumulated deficit	(44,679)	(28,565)
Total shareholders' equity	85,154	101,069
	\$ 88,730	\$ 105,840