

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

	Three Months Ended			Nine Months Ended	
	Sept. 30, 2001	Jun. 30, 2001	Sept. 30, 2000	Sept. 30, 2001	Sept. 30, 2000
Revenues:					
Advertising	\$ 2,425	\$ 2,227	\$ 1,602	6,739	\$ 3,774
Non-advertising	1,138	651	-	2,155	
Total revenues	3,563	2,878	1,602	8,894	3,774
Pro forma cost of revenues:					
Advertising	1,586	1,742	1,578	5,179	3,561
Non-advertising	823	522	-	1,642	-
Total pro forma cost of revenues	2,409	2,264	1,578	6,821	3,561
Pro forma gross profit	1,154	614	24	2,073	213
Pro forma operating expenses:					
Product development	1,217	1,274	603	4,129	1,494
Sales and marketing	1,989	2,115	2,399	6,574	6,870
General and administrative	1,108	1,117	1,435	3,464	3,215
Total pro forma operating expenses	4,314	4,506	4,437	14,167	11,579
Pro forma operating loss	(3,160)	(3,892)	(4,413)	(12,094)	(11,366)
Other non operating expenses	(7)	-	(26)	(7)	(26)
Interest income	462	593	937	1,854	1,370
Pro forma net loss	(2,705)	(3,299)	(3,502)	(10,247)	(10,022)
Basic and diluted pro forma net loss per share	\$ (0.08)	\$ (0.09)	\$ (0.12)	(0.29)	\$ (0.36)
Shares used in computing basic and diluted pro forma net loss per share	35,626	35,626	30,374	35,626	27,718
Reconciliation of Pro Forma to US GAAP Net Loss					
Pro forma net loss	\$ (2,705)	\$ (3,299)	\$ (3,502)	\$ (10,247)	\$ (10,022)
Stock-based compensation	(99)	147	8	68	446
Amortization of intangibles	4,202	4,202	-	12,607	-
Impairment of intangibles*	17,676	-	-	17,676	-
Write off of other assets	500	-	500	500	500
Accretion on mandatorily redeemable convertible preferred stock	-	-	249	-	3,914
Total	22,279	4,349	757	30,851	4,860
Actual net loss	\$ (24,984)	\$ (7,648)	\$ (4,259)	\$ (41,098)	\$ (14,882)

* Based upon a valuation analysis conducted by SOHU of the carrying amount of goodwill arising from the October 2000 acquisition of ChinaRen Inc., SOHU made a US\$17.7 million one-time non-cash write down of the related intangible assets.

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	<u>Three Months Ended</u>			<u>Nine Months Ended</u>	
	<u>Sept. 30, 2001</u>	<u>Jun. 30, 2001</u>	<u>Sept. 30, 2000</u>	<u>Sept. 30, 2001</u>	<u>Sept. 30, 2000</u>
Revenues:					
Advertising	\$ 2,425	\$ 2,227	\$ 1,602	6,739	\$ 3,774
Non-advertising	1,138	651	-	2,155	-
Total revenues	<u>3,563</u>	<u>2,878</u>	<u>1,602</u>	<u>8,894</u>	<u>3,774</u>
Cost of revenues:					
Advertising	1,575	1,762	1,578	5,188	3,567
Non-advertising	823	522	-	1,642	-
Total cost of revenues	<u>2,398</u>	<u>2,284</u>	<u>1,578</u>	<u>6,830</u>	<u>3,567</u>
Gross profit	1,165	594	24	2,064	207
Operating expenses:					
Product development	1,207	1,295	603	4,140	1,498
Sales and marketing	1,949	2,141	2,421	6,566	6,922
General and administrative	1,070	1,197	1,421	3,520	3,599
Amortization of intangibles	4,202	4,202	-	12,607	-
Impairment of intangibles*	17,676	-	-	17,676	-
Total operating expenses	<u>26,104</u>	<u>8,835</u>	<u>4,445</u>	<u>44,509</u>	<u>12,019</u>
Operating loss	(24,939)	(8,241)	(4,421)	(42,445)	(11,812)
Other non operating expenses	(507)		(526)	(507)	(526)
Interest income	462	593	937	1,854	1,370
Net loss	<u>(24,984)</u>	<u>(7,648)</u>	<u>(4,010)</u>	<u>(41,098)</u>	<u>(10,968)</u>
Accretion on mandatorily redeemable convertible preferred stock	-	-	(249)	-	(3,914)
Net loss attributable to common stockholders	<u>\$ (24,984)</u>	<u>\$ (7,648)</u>	<u>\$ (4,259)</u>	<u>(41,098)</u>	<u>\$ (14,882)</u>
Basic and diluted net loss per share attributable to common stockholders	<u>\$ (0.70)</u>	<u>\$ (0.21)</u>	<u>\$ (0.16)</u>	<u>(1.15)</u>	<u>\$ (0.97)</u>
Shares used in computing basic and diluted net loss per share	<u>35,626</u>	<u>35,626</u>	<u>27,194</u>	<u>35,626</u>	<u>15,407</u>

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

	<u>Sept. 30,</u> <u>2001</u>	<u>Dec. 31,</u> <u>2000</u>
ASSETS		
Cash, cash equivalents, and investments in marketable debt securities	\$ 49,021	\$ 62,593
Accounts receivable, net	2,485	2,092
Prepaid and other current assets	1,575	1,688
Fixed assets, net	8,084	7,404
Intangible assets, net	-	30,283
Other assets, net	<u>1,471</u>	<u>1,780</u>
	<u>\$ 62,636</u>	<u>\$ 105,840</u>
LIABILITIES AND SHAREHOLDERS' EQUITY		
Accounts payable and accrued liabilities	\$ 2,270	\$ 3,624
Deferred revenues	<u>293</u>	<u>1,147</u>
Total liabilities	2,563	4,771
Shareholders' equity	<u>60,073</u>	<u>101,069</u>
	<u>\$ 62,636</u>	<u>\$ 105,840</u>