

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

	Three Months Ended		Nine Months Ended	
	September 30,		September 30,	
	2005	2004	2005	2004
Revenues:				
Advertising:				
Brand advertising (including \$0, \$104, \$0 and \$349 from related parties, respectively)	\$ 15,618	\$ 12,932	\$ 41,601	\$ 32,875
Sponsored search	3,172	2,541	9,008	6,994
Subtotal of advertising revenues	18,790	15,473	50,609	39,869
Non-advertising:				
Wireless	6,762	8,145	19,081	31,706
E-commerce	879	1,486	2,985	4,175
Others	1,847	836	5,207	3,392
Subtotal of non-advertising revenues	9,488	10,467	27,273	39,273
Total revenues	28,278	25,940	77,882	79,142
Cost of revenues:				
Advertising:				
Brand advertising	4,122	2,987	10,339	8,160
Sponsored search	813	339	1,993	884
Subtotal of advertising cost of revenues	4,935	3,326	12,332	9,044
Non-advertising:				
Wireless	3,353	3,147	8,546	11,702
E-commerce (including \$51, \$28, \$115 and \$94 from related parties, respectively)	1,014	1,468	3,052	4,138
Others (including \$326, \$0, \$906 and \$0 from related parties, respectively)	626	446	1,974	1,362
Subtotal of non-advertising cost of revenues	4,993	5,061	13,572	17,202
Total cost of revenues	9,928	8,387	25,904	26,246
Gross profit	18,350	17,553	51,978	52,896
Operating expenses:				
Product development	3,439	2,462	10,175	6,433
Sales and marketing	4,615	4,600	13,618	11,982
General and administrative	2,813	2,210	7,712	5,534
Amortization of intangibles	509	368	1,439	905
Total operating expenses	11,376	9,640	32,944	24,854
Operating profit	6,974	7,913	19,034	28,042
Other income/ (expense)	358	(190)	96	(594)
Interest income	617	641	1,745	1,849
Income before income tax expense	7,949	8,364	20,875	29,297
Income tax expense	81	(38)	(31)	(162)
Net income	\$ 8,030	\$ 8,326	\$ 20,844	\$ 29,135
Basic net income per share	\$ 0.22	\$ 0.23	\$ 0.58	\$ 0.80
Shares used in computing basic net income per share	36,417	36,392	36,202	36,332
Diluted net income per share	\$ 0.21	\$ 0.21	\$ 0.54	\$ 0.73
Shares used in computing diluted net income per share	39,750	40,644	39,760	40,772