

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

	Three Months Ended			Year Ended	
	Dec. 31, 2001	Sept. 30, 2001	Dec. 31, 2000	Dec. 31, 2001	Dec. 31, 2000
Revenues:					
Advertising	\$ 2,506	\$ 2,425	\$ 2,070	\$ 9,245	\$ 5,844
Non-advertising	1,600	1,138	109	3,755	109
Total revenues	4,106	3,563	2,179	13,000	5,953
Pro forma cost of revenues:					
Advertising	1,457	1,586	1,994	6,636	5,555
Non-advertising	1,127	823	81	2,769	81
Total pro forma cost of revenue	2,584	2,409	2,075	9,405	5,636
Pro forma gross profit	1,522	1,154	104	3,595	317
Pro forma operating expenses:					
Product development	1,225	1,217	948	5,354	2,442
Sales and marketing	1,842	1,989	3,479	8,416	10,349
General and administrative	1,274	1,108	1,579	4,738	4,794
Total pro forma operating expenses	4,341	4,314	6,006	18,508	17,585
Pro forma operating loss	(2,819)	(3,160)	(5,902)	(14,913)	(17,268)
Other non-operating income (expense)	3	(7)	-	(4)	(26)
Interest income	322	462	1,152	2,176	2,522
Pro forma net loss*	(2,494)	(2,705)	(4,750)	(12,741)	(14,772)
Basic and diluted net loss per share attributable to common stockholders	\$ (0.07)	\$ (0.08)	\$ (0.14)	\$ (0.36)	\$ (0.50)
Shares used in computing basic and diluted pro forma net loss per share	35,626	35,626	34,765	35,626	29,502
Reconciliation of Pro forma to US GAAP Net Loss					
Pro forma net loss	\$ (2,494)	\$ (2,705)	\$ (4,750)	\$ (12,741)	\$ (14,772)
Stock-based compensation	(5)	(99)	183	63	629
Amortization of intangibles	-	4,202	3,335	12,607	3,335
Impairment of intangibles	-	17,676	-	17,676	-
Write off of other assets	-	500	-	500	500
Accretion on mandatorily redeemable convertible preferred stock	-	-	-	-	3,914
Total pro forma adjustments	(5)	22,279	3,518	30,846	8,378
US GAAP net loss	\$ (2,489)	\$ (24,984)	\$ (8,268)	\$ (43,587)	\$ (23,150)
*Depreciation and amortization included in pro forma net loss	\$ 1,180	\$ 1,061	\$ 759	\$ 4,123	\$ 1,645

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Revenues:					
Advertising	\$ 2,506	\$ 2,425	\$ 2,070	\$ 9,245	\$ 5,844
Non-advertising	1,600	1,138	109	3,755	109
Total revenues	4,106	3,563	2,179	13,000	5,953
Cost of revenues:					
Advertising	1,456	1,575	1,981	6,644	5,548
Non-advertising	1,127	823	81	2,769	81
Total cost of revenue	2,583	2,398	2,062	9,413	5,629
Gross profit	1,523	1,165	117	3,587	324
Operating expenses:					
Product development	1,225	1,207	942	5,365	2,440
Sales and marketing	1,840	1,949	3,503	8,406	10,425
General and administrative	1,272	1,070	1,757	4,792	5,356
Amortization of intangibles	-	4,202	3,335	12,607	3,335
Impairment of intangibles	-	17,676	-	17,676	-
Total operating expenses	4,337	26,104	9,537	48,846	21,556
Operating loss	(2,814)	(24,939)	(9,420)	(45,259)	(21,232)
Other non-operating income (expense)	3	(507)	-	(504)	(526)
Interest income	322	462	1,152	2,176	2,522
Net loss	(2,489)	(24,984)	(8,268)	(43,587)	(19,236)
Accretion on Series B, C, and D mandatorily redeemable convertible preferred stock	-	-	-	-	(3,914)
Net loss attributable to common stockholders	\$ (2,489)	\$ (24,984)	\$ (8,268)	\$ (43,587)	\$ (23,150)
Basic and diluted net loss per share attributable to common stockholders	\$ (0.07)	\$ (0.70)	\$ (0.24)	\$ (1.22)	\$ (1.14)
Shares used in computing basic and diluted net loss per share	35,626	35,626	34,765	35,626	20,286

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

	<u>December 31,</u> <u>2001</u>	<u>December 31,</u> <u>2000</u>
ASSETS		
Cash, cash equivalents, and investments in marketable debt securities	\$ 46,236	\$ 62,593
Accounts receivable, net	2,710	2,092
Prepaid and other current assets	2,168	1,688
Fixed assets, net	7,953	7,404
Intangible assets, net	-	30,283
Other assets, net	<u>2,891</u>	<u>1,780</u>
	<u>\$ 61,958</u>	<u>\$ 105,840</u>
 LIABILITIES AND SHAREHOLDERS' EQUITY		
Accounts payable and accrued liabilities	\$ 3,915	\$ 3,624
Deferred revenues	<u>462</u>	<u>1,147</u>
Total current liabilities	4,377	4,771
 Shareholders' equity	 <u>57,581</u>	 <u>101,069</u>
	<u>\$ 61,958</u>	<u>\$ 105,840</u>