

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

	<u>Three Months Ended</u>			<u>Nine Months Ended</u>	
	<u>Sep. 30, 2003</u>	<u>Jun. 30, 2003</u>	<u>Sep. 30, 2002</u>	<u>Sep. 30, 2003</u>	<u>Sep. 30, 2002</u>
Revenues:					
Advertising	\$ 8,748	\$ 6,801	\$ 3,674	\$ 20,025	\$ 9,548
Non-advertising	<u>13,332</u>	<u>12,548</u>	<u>3,834</u>	<u>35,815</u>	<u>8,617</u>
Total revenues	22,080	19,349	7,508	55,840	18,165
Cost of revenues:					
Advertising	1,973	1,750	1,472	5,325	4,430
Non-advertising	<u>4,928</u>	<u>4,521</u>	<u>1,871</u>	<u>13,103</u>	<u>4,919</u>
Total cost of revenues	6,901	6,271	3,343	18,428	9,349
Gross profit	15,179	13,078	4,165	37,412	8,816
Operating expenses:					
Product development	1,968	1,926	1,474	5,642	3,959
Sales and marketing	2,839	2,528	1,862	7,366	5,749
General and administrative	<u>1,181</u>	<u>1,312</u>	<u>955</u>	<u>3,575</u>	<u>2,906</u>
Total operating expenses	<u>5,988</u>	<u>5,766</u>	<u>4,291</u>	<u>16,583</u>	<u>12,614</u>
Operating profit/(loss)	9,191	7,312	(126)	20,829	(3,798)
Other income/(expense)	(552)	(129)	(67)	(743)	(103)
Interest income	<u>532</u>	<u>343</u>	<u>305</u>	<u>1,202</u>	<u>934</u>
Net income/(loss) before taxes	9,171	7,526	112	21,288	(2,967)
Income tax provision	<u>6,500</u>	<u>-</u>	<u>-</u>	<u>6,500</u>	<u>-</u>
Net income	<u>2,671</u>	<u>7,526</u>	<u>112</u>	<u>14,788</u>	<u>(2,967)</u>
Basic net income/(loss) per share	<u>\$ 0.07</u>	<u>\$ 0.21</u>	<u>\$ 0.00</u>	<u>\$ 0.42</u>	<u>\$ (0.08)</u>
Shares used in computing basic net income/(loss) per share	<u>35,824</u>	<u>35,286</u>	<u>35,715</u>	<u>35,289</u>	<u>35,660</u>
Diluted net income/(loss) per share	<u>\$ 0.07</u>	<u>\$ 0.19</u>	<u>\$ 0.00</u>	<u>\$ 0.37</u>	<u>\$ (0.08)</u>
Shares used in computing diluted net income/(loss) per share	<u>39,176</u>	<u>40,036</u>	<u>37,413</u>	<u>40,004</u>	<u>35,660</u>

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

	<u>Sep. 30, 2003</u>	<u>Dec. 31, 2002</u>
ASSETS		
Cash, cash equivalents and investments in marketable debt securities	\$ 161,555	\$ 44,211
Accounts receivable, net	11,814	3,954
Prepaid and other current assets	2,945	2,009
Fixed assets, net	5,574	6,012
Loans to related parties	-	4,827
Other assets	<u>5,891</u>	<u>959</u>
	<u>187,779</u>	<u>61,972</u>
LIABILITIES AND SHAREHOLDERS' EQUITY		
Accounts payable and accrued liabilities	15,839	5,119
Deferred revenues	4,028	1,622
Long term debt	<u>90,000</u>	<u>-</u>
Total liabilities	109,867	6,741
Shareholders' equity	<u>77,912</u>	<u>55,231</u>
	<u>\$ 187,779</u>	<u>\$ 61,972</u>

SOHU.COM INC.
SEGMENT INFORMATION
(UNAUDITED, IN THOUSANDS)

	Three Months Ended			Nine Months Ended	
	Sep. 30, 2003	Jun. 30, 2003	Sep. 30, 2002	Sep. 30, 2003	Sep. 30, 2002
Revenues:					
Advertising	8,748	6,801	3,674	20,025	9,548
Non-advertising:					
E-subscription	12,640	11,564	2,582	32,882	5,348
E-commerce	692	984	1,207	2,851	3,035
Other	-	-	45	82	234
Subtotal non-advertising revenues	<u>13,332</u>	<u>12,548</u>	<u>3,834</u>	<u>35,815</u>	<u>8,617</u>
Total revenues	<u><u>22,080</u></u>	<u><u>19,349</u></u>	<u><u>7,508</u></u>	<u><u>55,840</u></u>	<u><u>18,165</u></u>
 Cost of revenues:					
Advertising	1,973	1,750	1,472	5,325	4,430
Non-advertising:					
E-subscription	4,299	3,630	888	10,575	2,104
E-commerce	629	891	983	2,528	2,551
Other	-	-	-	-	264
Subtotal non-advertising cost of revenues	<u>4,928</u>	<u>4,521</u>	<u>1,871</u>	<u>13,103</u>	<u>4,919</u>
Total cost of revenues	<u><u>6,901</u></u>	<u><u>6,271</u></u>	<u><u>3,343</u></u>	<u><u>18,428</u></u>	<u><u>9,349</u></u>
 Gross profit	<u><u>15,179</u></u>	<u><u>13,078</u></u>	<u><u>4,165</u></u>	<u><u>37,412</u></u>	<u><u>8,816</u></u>