

**SOHU.COM INC.**  
**CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS (unaudited)**  
(In thousands)

	<b>Three Months Ended March 31,</b>	
	<b>2011</b>	<b>2010</b>
Cash flows from operating activities:		
Net income	\$ 55,169	\$ 41,321
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation	5,873	4,593
Share-based compensation expense	5,268	6,528
Amortization and impairment of intangible assets	6,437	475
Provision for allowance for doubtful accounts	461	88
Excess tax benefits from share-based payment arrangements	(173)	(531)
Others	350	132
Changes in assets and liabilities, net of acquisition:		
Accounts receivable	1,839	(1,336)
Prepaid and other current assets	8,177	(3,184)
Accounts payable	2,190	2,627
Taxes payable	(5,470)	266
Accrued liabilities	(14,085)	619
Receipts in advance and deferred revenue	3,712	(4,071)
Other short-term liabilities	2,607	(4,598)
Net cash provided by operating activities	72,355	42,929
Cash flows from investing activities:		
Purchase of fixed assets	(8,445)	(6,113)
Purchase of intangible and other assets	(10,028)	(1,071)
Acquisitions, net of cash acquired	(1,408)	(1,239)
Net cash used in investing activities	(19,881)	(8,423)
Cash flows from financing activities:		
Issuance of common stock	1,219	252
Cash contribution received from the noncontrolling interest shareholders	941	0
Excess tax benefits from share-based payment arrangements	173	531
Net cash provided by financing activities	2,333	783
Effect of exchange rate changes on cash and cash equivalents	4,739	82
Net increase in cash and cash equivalents	59,546	35,371
Cash and cash equivalents at beginning of period	678,389	563,782
Cash and cash equivalents at end of period	\$ 737,935	\$ 599,153
Supplemental schedule of non-cash investing activity:		
Consideration payable for business acquisition	915	0

The accompanying notes are an integral part of these condensed consolidated financial statements.