

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

	Nine Months Ended September 30,	
	2009	2008
Cash flows from operating activities:		
Net income	\$ 133,990	\$ 101,994
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation	12,007	9,864
Share-based compensation expense	13,385	8,229
Amortization of intangible assets and other assets	1,355	2,593
Provision for allowance for doubtful accounts	393	490
Reversal of excess tax benefits/(excess tax benefits) from share-based payment arrangements	678	(3,424)
Others	309	925
Changes in current assets and liabilities:		
Prepaid and other current assets	15,753	(16,040)
Accounts receivable	(23,167)	(16,952)
Tax payables	1,225	21,330
Accrued liabilities to suppliers and agents	5,990	11,690
Receipts in advance and deferred revenue	4,098	15,941
Accounts payable	2,485	5,947
Other accrued liabilities	(76)	15,055
Net cash provided by operating activities	168,425	157,642
Cash flows from investing activities:		
Purchase of fixed assets	(18,167)	(23,638)
Purchase of intangible and other assets	(319)	(2,374)
Decrease in restricted cash	2,671	1,651
Net cash used in investing activities	(15,815)	(24,361)
Cash flows from financing activities:		
Issuance of common stock	3,787	12,489
(Reversal of excess tax benefits)/excess tax benefits from share-based payment arrangements	(678)	3,424
Cash contributions received from a noncontrolling interest shareholder	-	427
Proceeds from Changyou's initial public offering	128,340	-
Other proceeds relating to financing activities	1,087	-
Other payments relating to financing activities	(2,952)	-
Net cash provided by financing activities	129,584	16,340
Effect of exchange rate changes on cash and cash equivalents	(266)	7,025
Net increase in cash and cash equivalents	281,928	156,646
Cash and cash equivalents at beginning of period	314,425	122,706
Cash and cash equivalents at end of period	\$ 596,353	\$ 279,352