

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

	<b>Nine Months Ended September 30,</b>	
	<b>2014</b>	<b>2015</b>
Cash flows from operating activities:		
Net income /(loss)	\$ (138,473)	\$ 100,058
Adjustments to reconcile net income /(loss) to net cash provided by operating activities:		
Amortization of intangible assets and purchased video content in prepaid expense	99,264	129,475
Depreciation	59,059	60,798
Goodwill impairment and impairment of intangible assets acquired as part of a business acquisition	0	40,324
Share-based compensation expense	29,513	28,465
Impairment of intangible assets	1,457	12,015
Investment income /(loss) from investments in debt securities and equity investments	(1,140)	3,791
Provision /(Reversal) for allowance for doubtful accounts	(2)	1,676
Change in fair value of put option	(2,304)	0
Gain from sale of the 7Road business and certain Changyou subsidiaries	0	(55,139)
Gain from sale of an equity investment	0	(12,962)
Change in fair value of short-term investments	(425)	(1,050)
Others	1,419	2,163
Changes in assets and liabilities, net of acquisition:		
Accounts receivable	(25,759)	(67,284)
Prepaid and other assets	32,825	2,941
Accounts payable	(4,194)	7,150
Accrued liabilities and other short-term liabilities	83,676	66,636
Receipts in advance and deferred revenue	(941)	11,202
Taxes payable	(17,463)	17,592
Deferred tax	(21,727)	9,612
Net cash provided by operating activities	<u>94,785</u>	<u>357,463</u>
Cash flows from investing activities:		
Purchase of intangible and other assets	(98,706)	(106,613)
Purchase of fixed assets	(73,440)	(84,127)
Purchase of short-term investments, net	(206,662)	(76,588)
Purchase of long-term investments	(24,609)	(37,803)
Funds to a third party	0	(20,033)
Deposited funds	0	(13,086)
Acquisition of MoboTap, net of cash acquired	(86,539)	0
Consideration received from sale of the 7Road business and certain	0	183,114

Changyou subsidiaries, net of cash in 7Road upon its disposition		
Cash received /(paid) related to restricted time deposits, net	(13,554)	30,840
Proceeds received from sale of an equity investment	0	11,938
Proceeds received from debt securities at maturity	82,009	0
Other cash proceeds related to investing activities	3,404	3,866
Net cash used in investing activities	(418,097)	(108,492)
Cash flows from financing activities:		
Loan proceeds	0	12,900
Issuance of common stock	516	2,124
Exercise of share-based awards in subsidiary	414	7
Repayments of loans from offshore banks	(410,194)	(25,500)
Repurchase of Sogou Series A Preferred Shares from noncontrolling shareholders	(47,285)	(21,015)
Repurchase of Changyou American depositary shares (“ADSs”)	0	(14,517)
Repurchase of Sogou Class A Ordinary Shares from noncontrolling shareholders	(24,591)	0
Proceeds of loans from offshore banks	370,000	0
Payment of contingent consideration	(2,813)	0
Other cash proceeds /(payments) related to financing activities	(4,935)	2,855
Net cash used in financing activities	(118,888)	(43,146)
Effect of exchange rate changes on cash and cash equivalents	(4,192)	(8,220)
Reclassification of cash and cash equivalents to held-for-sale assets	0	(66)
Net increase /(decrease) in cash and cash equivalents	(446,392)	197,539
Cash and cash equivalents at beginning of period	1,287,288	876,340
Cash and cash equivalents at end of period	\$ 840,896	\$ 1,073,879
Supplemental cash flow disclosures:		
Barter transactions	\$ 721	\$ 1,411
Supplemental schedule of non-cash investing activity:		
Consideration payable for acquisition and equity investment	0	10,722

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