

**SOHU.COM INC.**  
**CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS**  
(unaudited, In thousands, except per share data)

	<b>Three Months Ended</b>	
	<b>March 31, 2005</b>	<b>March 31, 2004</b>
Revenues:		
Advertising:		
Brand advertising (including \$0 and \$124 from related parties, respectively)	\$ 12,124	\$ 8,993
Sponsored search	2,731	2,021
Subtotal of advertising revenues	<u>14,855</u>	<u>11,014</u>
Non-advertising:		
Wireless	5,959	12,245
E-commerce	1,265	1,319
Others	1,646	1,357
Subtotal of non-advertising revenues	<u>8,870</u>	<u>14,921</u>
Total revenues	23,725	25,935
Cost of revenues:		
Advertising:		
Brand advertising	3,229	2,660
Sponsored search	293	128
Subtotal of advertising cost of revenues	<u>3,522</u>	<u>2,788</u>
Non-advertising:		
Wireless	2,205	4,181
E-commerce (including \$31 and \$35 from related parties, respectively)	1,231	1,286
Others (including \$284 and \$0 from related parties, respectively)	572	368
Subtotal of non-advertising cost of revenues	<u>4,008</u>	<u>5,835</u>
Total cost of revenues	<u>7,530</u>	<u>8,623</u>
Gross profit	16,195	17,312
Operating expenses:		
Product development	3,142	1,880
Sales and marketing	4,734	3,121
General and administrative	2,412	1,572
Amortization of intangibles	456	177
Total operating expenses	<u>10,744</u>	<u>6,750</u>
Operating profit	5,451	10,562
Other expense	(248)	(208)
Interest income	573	630
Income before income tax expense	5,776	10,984
Income tax expense	(62)	(54)
Net income	<u>\$ 5,714</u>	<u>\$ 10,930</u>
Basic net income per share	<u>\$ 0.16</u>	<u>\$ 0.30</u>
Shares used in computing basic net income per share	<u>36,171</u>	<u>36,255</u>
Diluted net income per share	<u>\$ 0.15</u>	<u>\$ 0.27</u>
Shares used in computing diluted net income per share	<u>39,931</u>	<u>41,920</u>