

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

	<b>Three Months Ended March 31,</b>	
	<b>2014</b>	<b>2015</b>
Cash flows from operating activities:		
Net loss	\$ (56,042)	\$ (4,599)
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation	19,274	20,534
Share-based compensation expense	5,240	12,226
Amortization of intangible assets and purchased video content in prepaid expense	28,436	54,150
Impairment of intangible assets	140	5,274
Provision for allowance for doubtful accounts	39	912
Investment income from investments in debt securities	(1,370)	0
Change in fair value of put option	(2,304)	0
Change in fair value of short-term investments	0	(410)
Others	148	1,040
Changes in assets and liabilities, net of acquisition:		
Accounts receivable	8,781	(2,564)
Prepaid and other assets	(840)	906
Accounts payable	11,401	2,471
Receipts in advance and deferred revenue	(9,171)	(8,329)
Taxes payable	(9,900)	(2,920)
Deferred tax	(8,567)	8,199
Accrued liabilities and other short-term liabilities	(20,256)	(46,927)
Net cash provided by /(used in) operating activities	(34,991)	39,963
Cash flows from investing activities:		
Purchase of fixed assets	(10,082)	(19,873)
Purchase of intangible and other assets	(28,412)	(33,570)
Purchase of long-term investments	0	(343)
Proceeds received from debt securities at maturity	82,009	0
Cash received related to restricted time deposits	48,764	31,422
Proceeds from short-term investments, net	2,827	26,375
Other cash proceeds related to investing activities	1,550	11,536
Net cash provided by investing activities	96,656	15,547
Cash flows from financing activities:		
Issuance of common stock	348	765
Repurchase of Sogou Series A Preferred Shares from noncontrolling shareholders	(47,285)	0
Repurchase of Changyou American depositary shares (“ADSs”)	0	(1,329)
Proceeds /(repayments) of loans from offshore banks	(153,193)	0
Exercise of share-based awards in subsidiary	0	1
Other cash proceeds related to financing activities	0	569
Net cash provided by /(used in) financing activities	(200,130)	6
Effect of exchange rate changes on cash and cash equivalents	(4,398)	2,376
Reclassification of cash and cash equivalents to held-for-sale assets	0	(10,747)
Net increase /(decrease) in cash and cash equivalents	(142,863)	47,145
Cash and cash equivalents at beginning of period	1,287,288	876,340
Cash and cash equivalents at end of period	\$ 1,144,425	\$ 923,485

Supplemental cash flow disclosures:

Barter transactions	716	461
Supplemental schedule of non-cash investing activity:		
Consideration payable for acquisitions	31,408	5,000

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

