

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

	<b>Three Months Ended March 31,</b>	
	<b>2006</b>	<b>2005</b>
Cash flows from operating activities:		
Net income	\$ 6,038	\$ 5,714
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation	1,293	1,162
Amortization of intangible assets and other assets	1,040	813
Provision for allowance for doubtful accounts	237	708
Share-based compensation expense due to the implementation of SFAS 123(R)	1,731	-
Others	428	125
Changes in assets and liabilities:		
Accounts receivable	(5,685)	44
Prepaid and other current assets	334	173
Accounts payable	519	(111)
Accrued liabilities	(1,160)	(3,028)
Net cash provided by operating activities	4,775	5,600
Cash flows from investing activities:		
Proceeds from maturities of marketable debt securities	-	3,074
Purchase of fixed assets	(1,853)	(3,289)
Purchase of other assets	(55)	(46)
Acquisitions, net of cash acquired	-	(1,330)
Net cash used in investing activities	(1,908)	(1,591)
Cash flows from financing activities:		
Repurchase of common stock	-	(13,847)
Issuance of common stock	1,026	469
Net cash provided by (used in) financing activities	1,026	(13,378)
Effect of exchange rate change on cash and cash equivalents	546	-
Net increase (decrease) in cash and cash equivalents	4,439	(9,369)
Cash and cash equivalents at beginning of period	119,091	122,384
Cash and cash equivalents at end of period	\$ 123,530	\$ 113,015