

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

	<b>Nine Months Ended September 30,</b>	
	<b>2016</b>	<b>2017</b>
<b>Cash flows from operating activities:</b>		
Net loss	\$ (77,886)	\$ (200,426)
Adjustments to reconcile net income /(loss) to net cash provided by operating activities:		
Amortization of intangible assets and purchased video content in prepaid expense	105,773	110,883
Depreciation	53,769	61,000
Goodwill impairment and impairment of intangible assets acquired as part of business acquisitions	0	86,882
Impairment of other intangible assets and other assets	6,027	44,989
Provision for allowance for doubtful accounts	4,341	4,403
Share-based compensation expense	16,147	22,455
Investment loss from equity investments	1,006	850
Impairment of available-for-sale securities	0	5,754
Change in fair value of financial instruments	(7,732)	(5,566)
Others	(407)	(434)
Changes in assets and liabilities, net of acquisition:		
Accounts receivable	56,560	(84,542)
Prepaid and other assets	7,520	21,101
Accounts payable	17,507	20,624
Accrued liabilities and other short-term liabilities	64,720	(44,733)
Receipts in advance and deferred revenue	(2,792)	7,432
Taxes payable	(35,520)	26,463
Deferred tax	5,191	6,837
Net cash provided by operating activities	214,224	83,972
<b>Cash flows from investing activities:</b>		
Purchase of financial instruments	(282,000)	(568,686)
Purchase of fixed assets	(89,990)	(64,764)
Purchase of intangible and other assets	(134,513)	(46,310)
Purchase of long-term investments	(12,940)	(7,680)
Matching loan to a related party	(18,115)	0
Cash released from restricted time deposits and time deposits, net	225,462	0
Proceeds from financial instruments	295,591	500,344
Return of funds from a third party	3,619	4,928
Other cash proceeds/(payments) related to investing activities	3,840	(3,065)
Net cash used in investing activities	(9,046)	(185,233)
<b>Cash flows from financing activities:</b>		
Proceeds from short-term bank loan	0	67,785
Matching loan from a related party	17,041	0

Exercise of share-based awards in subsidiaries	291	493
Repayments of loans from banks	(344,500)	(6,914)
Repurchase of Sogou Class A Common Shares from noncontrolling shareholders	0	(3,190)
Other cash payments related to financing activities	(423)	(909)
Net cash provided by/(used in) financing activities	<u>(327,591)</u>	<u>57,265</u>
Effect of exchange rate changes on cash and cash equivalents	(20,427)	21,919
Reclassification of cash and cash equivalents from assets held for sale	<u>(10,280)</u>	<u>11,684</u>
Net decrease in cash and cash equivalents	(153,120)	(10,393)
Cash and cash equivalents at beginning of period	<u>1,245,205</u>	<u>1,050,957</u>
Cash and cash equivalents at end of period	<u>\$ 1,092,085</u>	<u>\$ 1,040,564</u>
Supplemental cash flow disclosures:		
Barter transactions recognized in revenue	\$ 9,259	\$ 4,771
Supplemental schedule of non-cash investing activity:		
Changes in payables and other liabilities related to fixed assets and intangible assets additions	0	54,071

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