

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

	<b>Three Months Ended March 31,</b>	
	<b>2015</b>	<b>2016</b>
Cash flows from operating activities:		
Net income /(loss)	\$ (4,599)	\$ 10,945
Adjustments to reconcile net income to net cash provided by operating activities:		
Amortization of intangible assets and purchased video content in prepaid expense	54,150	29,115
Depreciation	20,534	17,159
Impairment of intangible assets	5,274	3,509
Provision for allowance for doubtful accounts	912	1,064
Share-based compensation expense	12,226	433
Investment loss from equity investments	699	518
Change in fair value of short-term investments and time deposits	(410)	(2,459)
Others	341	(288)
Changes in assets and liabilities, net of acquisition:		
Accounts receivable	(2,564)	19,058
Prepaid and other assets	906	5,576
Accounts payable	2,471	11,304
Receipts in advance and deferred revenue	(8,329)	(7,857)
Taxes payable	(2,920)	(15,188)
Deferred tax	8,199	5,139
Accrued liabilities and other short-term liabilities	(46,927)	(18,422)
Net cash provided by operating activities	39,963	59,606
Cash flows from investing activities:		
Matching loan to a related party	0	(30,180)
Purchase of intangible and other assets	(33,570)	(29,942)
Purchase of long-term investments	(343)	(11,739)
Purchase of fixed assets	(19,873)	(11,110)
Cash received related to restricted time deposits and time deposits, net	31,422	225,462
Proceeds from short-term investments, net	26,375	71,332
Other cash proceeds /(payment) related to investing activities	11,536	(4,008)
Net cash provided by investing activities	15,547	209,815
Cash flows from financing activities:		
Matching loan from a related party	0	29,941
Repayments of loans from offshore banks	0	(344,500)
Issuance of common stock	765	0
Exercise of share-based awards in subsidiary	1	0
Repurchase of Changyou American depository shares (“ADSs”)	(1,329)	0
Other cash proceeds related to financing activities	569	0
Net cash provided by /(used in) financing activities	6	(314,559)
Effect of exchange rate changes on cash and cash equivalents	2,376	2,309
Reclassification of cash and cash equivalents to held-for-sale assets	(10,747)	0
Net increase /(decrease) in cash and cash equivalents	47,145	(42,829)
Cash and cash equivalents at beginning of period	876,340	1,245,205
Cash and cash equivalents at end of period	\$ 923,485	\$ 1,202,376

Supplemental cash flow disclosures:

Barter transactions	461	7,453
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Supplemental schedule of non-cash investing activity:

Consideration payable for acquisitions	5,000	0
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The accompanying notes are an integral part of these condensed consolidated financial statements

