SOHU.COM INC. CONDENSED CONSOLIDATED BALANCE SHEETS (unaudited) (In thousands)

ASSETS Described in 2008 Described in 2008 Current assets \$113,015 \$122,384 Accounts receivable, net (including \$0 and \$199 from related parties, respectively) \$19,149 19,901 Prepaid and other current assets 5,118 4,894 Current portion of long-term investments in marketable debt securities 1,493 4,949 Total current assets 138,775 151,673 Long-term investments in marketable debt securities 14,193 14,444 Investment in an associate 1,012 9,045 Fixed assets, net 14,632 12,175 Goodwill 44,502 44,502 Intangible assets, net 7,047 7,503 Other assets, net 3,164 3,475 EXEMINITIES AND SHAREHOLDER'S EQUITY 223,325 \$2,3476 Current liabilities 30,450 33,995 Accounts payable (including \$113 and \$110 to related parties, respectively) \$2,162 2,273 Accounts payable (including \$113 and \$10 to related parties, respectively) 30,450 33,995 Total liabilities 30,450 30,900		As of			
Current liabilities		March 31,		December 31,	
Current assets: Cash and cash equivalents			2005		2004
Cash and cash equivalents \$ 113,015 \$ 122,384 Accounts receivable, net (including \$0 and \$199 from related parties, respectively) 19,149 19,901 Prepaid and other current assets 5,118 4,894 Current portion of long-term investments in marketable debt securities 1,493 4,494 Total current assets 138,775 151,673 Long-term investments in marketable debt securities 14,193 14,444 Investment in an associate 1,012 995 Fixed assets, net 14,632 12,175 Goodwill 44,502 44,502 Intangible assets, net 7,047 7,503 Other assets, net 3,164 3,475 Exercise the assets, net 3,164 3,475 Committee assets, net 5,223,325 \$ 234,767 LIABILITIES AND SHAREHOLDERS' EQUITY Eurocounts payable (including \$113 and \$110 to related parties, respectively) \$ 2,162 \$ 2,273 Accrued liabilities 30,450 33,995 Total current liabilities 32,612 36,268 Evero coupon convertible senior notes 90,000	ASSETS				
Accounts receivable, net (including \$0 and \$199 from related parties, respectively) 19,149 19,901 Prepaid and other current assets 5,118 4,894 Current portion of long-term investments in marketable debt securities 1,493 4,494 Total current assets 138,775 151,673 Long-term investments in marketable debt securities 14,193 14,444 Investment in an associate 1,012 995 Fixed assets, net 14,632 12,175 Goodwill 44,502 44,502 Intangible assets, net 7,047 7,503 Other assets, net 3,164 3,475 Current liabilities 3,164 3,475 Current liabilities 3,164 3,475 Accounts payable (including \$113 and \$110 to related parties, respectively) \$ 2,162 \$ 2,273 Account payable (including \$113 and \$110 to related parties, respectively) \$ 2,162 36,268 Zero coupon convertible senior notes 90,000 90,000 Total current liabilities 122,612 126,268 Commitments and contingencies (Note 6) Shareholders' equity:<					
related parties, respectively) 19,149 19,901 Prepaid and other current assets 5.118 4.894 Current portion of long-term investments in marketable debt securities 1,493 4,494 Total current assets 138,775 151,673 Long-term investments in marketable debt securities 14,193 14,444 Investment in an associate 1,012 995 Fixed assets, net 14,632 12,175 Goodwill 44,502 44,502 Intangible assets, net 3,164 3,475 Other assets, net 3,164 3,475 Current liabilities 223,325 234,767 LIABILITIES AND SHAREHOLDERS' EQUITY Current liabilities 3,164 3,475 Accounts payable (including \$113 and \$110 to related parties, respectively) \$ 2,162 \$ 2,273 Accounts payable (including \$113 and \$110 to related parties, respectively) 30,450 33,995 Total current liabilities 30,450 33,995 Common convertible senior notes 90,000 90,000 Commitments and contingencies (Note 6		\$	113,015	\$	122,384
Prepaid and other current assets 5,118 4,894 Current portion of long-term investments in marketable debt securities 1,493 4,494 Total current assets 138,775 151,673 Long-term investments in marketable debt securities 14,193 14,444 Investment in an associate 1,012 995 Fixed assets, net 14,632 12,175 Goodwill 44,502 44,502 Intangible assets, net 7,047 7,503 Other assets, net 3,164 3,475 Corner assets, net 3,164 3,475 LIABILITIES AND SHAREHOLDERS' EQUITY 2 2,273 Current liabilities 30,450 33,995 Accounts payable (including \$113 and \$110 to related parties, respectively) \$ 2,162 \$ 2,273 Accrued liabilities 30,450 33,995 Total current liabilities 32,612 36,268 Zero coupon convertible senior notes 90,000 90,000 Total liabilities 122,612 126,268 Commitments and contingencies (Note 6) 5			19 149		19 901
Current portion of long-term investments in marketable debt securities 1,493 4,494 Total current assets 138,775 151,673 Long-term investments in marketable debt securities 14,193 14,444 Investment in an associate 1,012 995 Fixed assets, net 14,632 12,175 Goodwill 44,502 44,502 Intangible assets, net 7,047 7,503 Other assets, net 3,164 3,475 \$ 223,325 \$ 234,767 LIABILITIES AND SHAREHOLDERS' EQUITY ** Current liabilities 30,450 33,995 Accounts payable (including \$113 and \$110 to related parties, respectively) \$ 2,162 \$ 2,273 Accrued liabilities 30,450 33,995 Total current liabilities 32,612 36,268 Zero coupon convertible senior notes 90,000 90,000 Total liabilities 32,612 126,268 Commitments and contingencies (Note 6) 5 Shareholders' equity: 39 38 Common stock: \$0.001 par value per share (75,400	2 2				
Long-term investments in marketable debt securities	Current portion of long-term investments in marketable				
Investment in an associate	Total current assets		138,775		151,673
Fixed assets, net 14,632 12,175 Goodwill 44,502 44,502 Intangible assets, net 7,047 7,503 Other assets, net 3,164 3,475 \$ 223,325 \$ 234,767 LIABILITIES AND SHAREHOLDERS' EQUITY Current liabilities Accounts payable (including \$113 and \$110 to related parties, respectively) \$ 2,162 \$ 2,273 Accrued liabilities 30,450 33,995 Total current liabilities 32,612 36,268 Zero coupon convertible senior notes 90,000 90,000 Total liabilities 122,612 126,268 Commitments and contingencies (Note 6) Shareholders' equity: Shareholders' equity: Common stock: \$0.001 par value per share (75,400 authorized, 35,799 and 36,537 shares issued and outstanding at March 31, 2005 and December 31, 2004, respectively) 39 38 Additional paid-in capital 146,005 145,481 Treasury stock (3,446 shares and 2,561 shares, respectively) (39,686) (25,839) Deferred compensation - (2) Accumulated other comprehensive income	Long-term investments in marketable debt securities		14,193		14,444
Goodwill 44,502 44,502 Intangible assets, net 7,047 7,503 Other assets, net 3,164 3,475 \$ 223,325 \$ 234,767 LIABILITIES AND SHAREHOLDERS' EQUITY Current liabilities Accounts payable (including \$113 and \$110 to related parties, respectively) \$ 2,162 \$ 2,273 Accrued liabilities 30,450 33,995 Total current liabilities 32,612 36,268 Zero coupon convertible senior notes 90,000 90,000 Total liabilities 122,612 126,268 Commitments and contingencies (Note 6) Commitments and contingencies (Note 6) Shareholders' equity: Common stock: \$0.001 par value per share (75,400 authorized, 35,799 and 36,537 shares issued and outstanding at March 31, 2005 and December 31, 2004, respectively) 39 38 Additional paid-in capital 146,005 145,481 Treasury stock (3,446 shares and 2,561 shares, respectively) (39,686) (25,839) Deferred compensation - (2) Accumulated other comprehensive income (166) 14 Accumulate	Investment in an associate		1,012		995
Intangible assets, net 7,047 7,503 Other assets, net 3,164 3,475 \$ 223,325 \$ 234,767 LIABILITIES AND SHAREHOLDERS' EQUITY Current liabilities Accounts payable (including \$113 and \$110 to related parties, respectively) \$ 2,162 \$ 2,273 Accrued liabilities 30,450 33,995 Total current liabilities 32,612 36,268 Zero coupon convertible senior notes 90,000 90,000 Total liabilities 122,612 126,268 Commitments and contingencies (Note 6) Shareholders' equity: 32,612 36,268 Common stock: \$0.001 par value per share (75,400 authorized, 35,799 and 36,537 shares issued and outstanding at March 31, 2005 and December 31, 2004, respectively) 39 38 Additional paid-in capital 146,005 145,481 Treasury stock (3,446 shares and 2,561 shares, respectively) 39,686) (25,839) Deferred compensation - (2) Accumulated other comprehensive income (166) 14 Accumulated deficit (5,479) (11,193) T	Fixed assets, net		14,632		12,175
Other assets, net 3,164 3,475 \$ 223,325 \$ 234,767 LIABILITIES AND SHAREHOLDERS' EQUITY Current liabilities: Accounts payable (including \$113 and \$110 to related parties, respectively) \$ 2,162 \$ 2,273 Accrued liabilities 30,450 33,995 Total current liabilities 32,612 36,268 Zero coupon convertible senior notes 90,000 90,000 Total liabilities 122,612 126,268 Commitments and contingencies (Note 6) Shareholders' equity: Shareholders' equity: Common stock: \$0.001 par value per share (75,400 authorized, 35,799 and 36,537 shares issued and outstanding at March 31, 2005 and December 31, 2004, respectively) 39 38 Additional paid-in capital 146,005 145,481 Treasury stock (3,446 shares and 2,561 shares, respectively) (39,686) (25,839) Deferred compensation - (2) Accumulated other comprehensive income (166) 14 Accumulated deficit (5,479) (11,193) Total shareholders' equity 100,713 108,499	Goodwill		44,502		44,502
LIABILITIES AND SHAREHOLDERS' EQUITY Current liabilities: Accounts payable (including \$113 and \$110 to related parties, respectively) \$ 2,162 \$ 2,273 Accrued liabilities 30,450 33,995 Total current liabilities 32,612 36,268 Zero coupon convertible senior notes 90,000 90,000 Total liabilities 122,612 126,268 Commitments and contingencies (Note 6) Shareholders' equity: Shareholders' equity: Common stock: \$0.001 par value per share (75,400 authorized, 35,799 and 36,537 shares issued and outstanding at March 31, 2005 and December 31, 2004, respectively) 39 38 Additional paid-in capital 146,005 145,481 Treasury stock (3,446 shares and 2,561 shares, respectively) (39,686) (25,839) Deferred compensation - (2) Accumulated other comprehensive income (166) 14 Accumulated deficit (5,479) (11,193) Total shareholders' equity 100,713 108,499	Intangible assets, net		7,047		7,503
LIABILITIES AND SHAREHOLDERS' EQUITY Current liabilities: Accounts payable (including \$113 and \$110 to related parties, respectively) \$ 2,162 \$ 2,273 Accrued liabilities 30,450 33,995 Total current liabilities 32,612 36,268 Zero coupon convertible senior notes 90,000 90,000 Total liabilities 122,612 126,268 Commitments and contingencies (Note 6) Shareholders' equity: Shareholders' equity: Common stock: \$0.001 par value per share (75,400 authorized, 35,799 and 36,537 shares issued and outstanding at March 31, 2005 and December 31, 2004, respectively) 39 38 Additional paid-in capital 146,005 145,481 Treasury stock (3,446 shares and 2,561 shares, respectively) (39,686) (25,839) Deferred compensation - (2) Accumulated other comprehensive income (166) 14 Accumulated deficit (5,479) (11,193) Total shareholders' equity 100,713 108,499	Other assets, net		3,164		3,475
Current liabilities: Accounts payable (including \$113 and \$110 to related parties, respectively) \$ 2,162 \$ 2,273 Accrued liabilities 30,450 33,995 Total current liabilities 32,612 36,268 Zero coupon convertible senior notes 90,000 90,000 Total liabilities 122,612 126,268 Commitments and contingencies (Note 6) Shareholders' equity: Common stock: \$0.001 par value per share (75,400 authorized, 35,799 and 36,537 shares issued and outstanding at March 31, 2005 and December 31, 2004, respectively) 39 38 Additional paid-in capital 146,005 145,481 Treasury stock (3,446 shares and 2,561 shares, respectively) (39,686) (25,839) Deferred compensation - (2) Accumulated other comprehensive income (166) 14 Accumulated deficit (5,479) (11,193) Total shareholders' equity 100,713 108,499		\$	223,325	\$	234,767
Current liabilities: Accounts payable (including \$113 and \$110 to related parties, respectively) \$ 2,162 \$ 2,273 Accrued liabilities 30,450 33,995 Total current liabilities 32,612 36,268 Zero coupon convertible senior notes 90,000 90,000 Total liabilities 122,612 126,268 Commitments and contingencies (Note 6) Shareholders' equity: Common stock: \$0.001 par value per share (75,400 authorized, 35,799 and 36,537 shares issued and outstanding at March 31, 2005 and December 31, 2004, respectively) 39 38 Additional paid-in capital 146,005 145,481 Treasury stock (3,446 shares and 2,561 shares, respectively) (39,686) (25,839) Deferred compensation - (2) Accumulated other comprehensive income (166) 14 Accumulated deficit (5,479) (11,193) Total shareholders' equity 100,713 108,499	LIABILITIES AND SHAREHOLDERS' EQUITY			-	
parties, respectively) \$ 2,162 \$ 2,273 Accrued liabilities 30,450 33,995 Total current liabilities 32,612 36,268 Zero coupon convertible senior notes 90,000 90,000 Total liabilities 122,612 126,268 Commitments and contingencies (Note 6) Shareholders' equity: 2004, 12,612 126,268 Common stock: \$0.001 par value per share (75,400 authorized, 35,799 and 36,537 shares issued and outstanding at March 31, 2005 and December 31, 2004, respectively) 39 38 Additional paid-in capital 146,005 145,481 Treasury stock (3,446 shares and 2,561 shares, respectively) (39,686) (25,839) Deferred compensation - (2) Accumulated other comprehensive income (166) 14 Accumulated deficit (5,479) (11,193) Total shareholders' equity 100,713 108,499	_				
Accrued liabilities 30,450 33,995 Total current liabilities 32,612 36,268 Zero coupon convertible senior notes 90,000 90,000 Total liabilities 122,612 126,268 Commitments and contingencies (Note 6) Shareholders' equity: Common stock: \$0.001 par value per share (75,400 authorized, 35,799 and 36,537 shares issued and outstanding at March 31, 2005 and December 31, 2004, respectively) 39 38 Additional paid-in capital 146,005 145,481 Treasury stock (3,446 shares and 2,561 shares, respectively) (39,686) (25,839) Deferred compensation - (2) Accumulated other comprehensive income (166) 14 Accumulated deficit (5,479) (11,193) Total shareholders' equity 100,713 108,499					
Total current liabilities 32,612 36,268 Zero coupon convertible senior notes 90,000 90,000 Total liabilities 122,612 126,268 Commitments and contingencies (Note 6) Shareholders' equity: Common stock: \$0.001 par value per share (75,400 authorized, 35,799 and 36,537 shares issued and outstanding at March 31, 2005 and December 31, 2004, respectively) 39 38 Additional paid-in capital 146,005 145,481 Treasury stock (3,446 shares and 2,561 shares, respectively) (39,686) (25,839) Deferred compensation - (2) Accumulated other comprehensive income (166) 14 Accumulated deficit (5,479) (11,193) Total shareholders' equity 100,713 108,499		\$		\$	
Zero coupon convertible senior notes 90,000 90,000 Total liabilities 122,612 126,268 Commitments and contingencies (Note 6) \$\$122,612 126,268 Shareholders' equity: Common stock: \$0.001 par value per share (75,400 authorized, 35,799 and 36,537 shares issued and outstanding at March 31, 2005 and December 31, 2004, respectively) 39 38 Additional paid-in capital 146,005 145,481 Treasury stock (3,446 shares and 2,561 shares, respectively) (39,686) (25,839) Deferred compensation - (2) Accumulated other comprehensive income (166) 14 Accumulated deficit (5,479) (11,193) Total shareholders' equity 100,713 108,499	Accrued liabilities				33,995
Total liabilities 122,612 126,268 Commitments and contingencies (Note 6) Shareholders' equity: 3000 <t< td=""><td>Total current liabilities</td><td></td><td>32,612</td><td></td><td>36,268</td></t<>	Total current liabilities		32,612		36,268
Commitments and contingencies (Note 6) Shareholders' equity: Common stock: \$0.001 par value per share (75,400 authorized, 35,799 and 36,537 shares issued and outstanding at March 31, 2005 and December 31, 2004, respectively) Additional paid-in capital Treasury stock (3,446 shares and 2,561 shares, respectively) Deferred compensation Accumulated other comprehensive income Accumulated deficit Total shareholders' equity Common stock: \$0.001 par value per share (75,400 authorized) 39 38 48 49 49 40 40 40 40 40 40 40 40	Zero coupon convertible senior notes		90,000		90,000
Shareholders' equity: Common stock: \$0.001 par value per share (75,400 authorized, 35,799 and 36,537 shares issued and outstanding at March 31, 2005 and December 31, 2004, respectively) 39 38 Additional paid-in capital 146,005 145,481 Treasury stock (3,446 shares and 2,561 shares, respectively) (39,686) (25,839) Deferred compensation - (2) Accumulated other comprehensive income (166) 14 Accumulated deficit (5,479) (11,193) Total shareholders' equity 100,713 108,499	Total liabilities		122,612		126,268
Common stock: \$0.001 par value per share (75,400 authorized, 35,799 and 36,537 shares issued and outstanding at March 31, 2005 and December 31, 2004, respectively) 39 38 Additional paid-in capital 146,005 145,481 Treasury stock (3,446 shares and 2,561 shares, respectively) (39,686) (25,839) Deferred compensation - (2) Accumulated other comprehensive income (166) 14 Accumulated deficit (5,479) (11,193) Total shareholders' equity 100,713 108,499	Commitments and contingencies (Note 6)				
2004, respectively) 39 38 Additional paid-in capital 146,005 145,481 Treasury stock (3,446 shares and 2,561 shares, respectively) (39,686) (25,839) Deferred compensation - (2) Accumulated other comprehensive income (166) 14 Accumulated deficit (5,479) (11,193) Total shareholders' equity 100,713 108,499	Common stock: \$0.001 par value per share (75,400 authorized, 35,799 and 36,537 shares issued and				
Additional paid-in capital 146,005 145,481 Treasury stock (3,446 shares and 2,561 shares, respectively) (39,686) (25,839) Deferred compensation - (2) Accumulated other comprehensive income (166) 14 Accumulated deficit (5,479) (11,193) Total shareholders' equity 100,713 108,499			39		38
Deferred compensation - (2) Accumulated other comprehensive income (166) 14 Accumulated deficit (5,479) (11,193) Total shareholders' equity 100,713 108,499	* · · · · · · · · · · · · · · · · · · ·		146,005		145,481
Accumulated other comprehensive income(166)14Accumulated deficit(5,479)(11,193)Total shareholders' equity100,713108,499	Treasury stock (3,446 shares and 2,561 shares, respectively)		(39,686)		(25,839)
Accumulated deficit (5,479) (11,193) Total shareholders' equity 100,713 108,499	Deferred compensation		-		(2)
Total shareholders' equity 100,713 108,499	Accumulated other comprehensive income		(166)		14
<u> </u>	Accumulated deficit		(5,479)	_	(11,193)
\$ 223,325 \$ 234,767	Total shareholders' equity		100,713		108,499
		\$	223,325	\$	234,767