

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

	As of	
	June 30, 2005	December 31, 2004
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 109,118	\$ 122,384
Accounts receivable, net (including \$0 and \$199 from related parties, respectively)	21,496	19,901
Prepaid and other current assets	3,173	4,894
Current portion of long-term investments in marketable debt securities	1,501	4,494
Total current assets	135,288	151,673
Long-term investments in marketable debt securities	14,214	14,444
Investment in an associate	1,037	995
Fixed assets, net	15,234	12,175
Goodwill	50,700	44,502
Intangible assets, net	7,499	7,503
Other assets, net	6,554	3,475
	\$ 230,526	\$ 234,767
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current liabilities:		
Accounts payable (including \$206 and \$110 to related parties, respectively)	\$ 1,643	\$ 2,273
Accrued liabilities	29,509	33,995
Total current liabilities	31,152	36,268
Zero coupon convertible senior notes	90,000	90,000
Total liabilities	121,152	126,268
Commitments and contingencies (Note 7)		
Shareholders' equity:		
Common stock: \$0.001 par value per share (75,400 authorized, 36,235 and 36,537 shares issued and outstanding, respectively)	39	38
Additional paid-in capital	147,465	145,481
Treasury stock (3,446 shares and 2,561 shares, respectively)	(39,686)	(25,839)
Deferred compensation	-	(2)
Accumulated other comprehensive (loss)/ income	(65)	14
Retained earnings/ (accumulated deficit)	1,621	(11,193)
Total shareholders' equity	109,374	108,499
	\$ 230,526	\$ 234,767