

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

	Six Months Ended June 30,	
	2015	2016
Cash flows from operating activities:		
Net income /(loss)	\$ 6,884	\$ (35,847)
Adjustments to reconcile net income /(loss) to net cash provided by operating activities:		
Amortization of intangible assets and purchased video content in prepaid expense	96,956	62,500
Depreciation	41,254	34,685
Impairment of intangible assets	7,082	5,171
Provision for allowance for doubtful accounts	1,128	3,103
Share-based compensation expense	30,767	2,977
Investment loss from equity investments	3,104	814
Change in fair value of short-term investments and time deposits	(802)	(4,899)
Others	449	(571)
Changes in assets and liabilities, net of acquisition:		
Accounts receivable	(37,226)	49,697
Prepaid and other assets	(563)	6,419
Accounts payable	(953)	16,116
Accrued liabilities and other short-term liabilities	37,277	51,405
Receipts in advance and deferred revenue	6,448	(9,372)
Taxes payable	(647)	(33,272)
Deferred tax	9,183	2,721
Net cash provided by operating activities	200,341	151,647
Cash flows from investing activities:		
Purchase of intangible and other assets	(73,406)	(81,382)
Purchase of fixed assets	(55,295)	(47,688)
Matching loan to a related party	(13,086)	(18,115)
Purchase of long-term investments	(16,657)	(12,715)
Cash received related to restricted time deposits and time deposits, net	31,422	225,462
Proceeds from /(purchase of) financial instruments, net	(5,848)	24,060
Return of funds from a third party	0	3,619
Consideration received from disposition of 7Road.com Limited ("7Road")	50,610	0
Other cash proceeds related to investing activities	3,148	978
Net cash provided by /(used in) investing activities	(79,112)	94,219
Cash flows from financing activities:		
Matching loan from a related party	12,900	17,041
Exercise of share-based awards in subsidiary	7	291
Issuance of common stock	2,019	0
Repayments of loans from offshore banks	0	(344,500)
Repurchase of Changyou American depository shares ("ADSs")	(1,329)	0
Other cash proceeds related to financing activities	570	0
Net cash provided by /(used in) financing activities	14,167	(327,168)
Effect of exchange rate changes on cash and cash equivalents	5,114	(15,833)
Reclassification of cash and cash equivalents to held-for-sale assets	(14,871)	0

Net increase /(decrease) in cash and cash equivalents	125,639	(97,135)
Cash and cash equivalents at beginning of period	876,340	1,245,205
Cash and cash equivalents at end of period	<u>\$ 1,001,979</u>	<u>1,148,070</u>
Supplemental cash flow disclosures:		
Barter transactions	1,334	8,845
Supplemental schedule of non-cash investing activity:		
Consideration payable for acquisitions	5,000	0

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

