

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

	Three Months Ended March 31,	
	2017	2018
Cash flows from operating activities:		
Net loss	\$ (50,353)	\$ (87,201)
Adjustments to reconcile net income /(loss) to net cash provided by operating activities:		
Amortization of intangible assets and purchased video content in prepaid expense	35,777	15,876
Depreciation	19,360	23,399
Share-based compensation expense	3,220	(2,344)
Impairment of other intangible assets and other assets	359	1,127
Investment loss /(gain) from equity investments	49	(1,975)
Provision for allowance for doubtful accounts	2,035	295
Loss /(gain) from sale of equity investments	523	(134)
Change in fair value of financial instruments	(2,064)	(9,258)
Others	(328)	53
Changes in assets and liabilities, net of acquisition:		
Accounts receivable	15,723	41,730
Prepaid and other assets	(924)	(8,986)
Accounts payable	15,801	42,240
Receipts in advance and deferred revenue	(4,205)	3,258
Taxes payable	(1,152)	(4,849)
Deferred tax	4,204	49,901
Accrued liabilities and other short-term liabilities	(69,695)	(44,502)
Net cash provided by /(used in) operating activities	(31,670)	18,630
Cash flows from investing activities:		
Purchase of fixed assets	(10,502)	(17,266)
Purchase of intangible and other assets	(23,316)	(8,588)
Purchase of long-term investments	(2,190)	(16,971)
Return of funds from a third party	4,928	0
Proceeds from financial instruments	87,317	444,469
Purchase of financial instruments	(119,024)	(663,428)
Proceeds received from sale of equity investments, net	0	12,070
Other cash proceeds related to investing activities	31	371
Net cash used in investing activities	(62,756)	(249,343)
Cash flows from financing activities:		
Exercise of share-based awards in subsidiaries	450	4
Repurchase of Sogou Pre-IPO Class A Ordinary Shares from noncontrolling shareholders	(3,190)	0
Net cash provided by /(used in) financing activities	(2,740)	4
Effect of exchange rate changes on cash and cash equivalents, and restricted cash	3,474	21,233
Reclassification of cash and cash equivalents from assets held for sale	11,684	0
Net decrease in cash and cash equivalents, and restricted cash	(82,008)	(209,476)
Cash and cash equivalents, and restricted cash, at beginning of period	1,050,957	1,368,024
Cash and cash equivalents, and restricted cash, at end of period	\$ 968,949	\$ 1,158,548

Supplemental cash flow disclosures:

Barter transactions recognized in revenue	3,185	339
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Supplemental schedule of non-cash investing activity:

Changes in payables and other liabilities related to fixed assets and intangible assets additions	8,084	19,032
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The accompanying notes are an integral part of these condensed consolidated financial statements

