

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

	As of	
	March 31, 2005	December 31, 2004
ASSETS		
Current assets:		
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
	\$ 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:		
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