
**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION**

Washington, D.C. 20549

FORM 8-K

**CURRENT REPORT
PURSUANT TO SECTION 13 OR 15(d)
OF THE SECURITIES EXCHANGE ACT OF 1934**

Date of Report (Date of earliest event reported): February 7, 2015

SOHU.COM INC.

(Exact name of registrant as specified in its charter)

Delaware
(State or other jurisdiction
Of incorporation)

0-30961
(Commission
File Number)

98-0204667
(I.R.S. Employer
Identification No.)

**Level 18, SOHU.com Media Plaza
Block 3, No. 2 Kexueyuan South Road, Haidian District
Beijing 100190
People's Republic of China
(011) 8610-6272-6666**

(Address, including zip code, of registrant's principal executive offices and registrant's telephone number, including area code)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (see General Instruction A.2. below):

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
 - Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
 - Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
 - Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))
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Item 2.02 Results of Operations and Financial Condition.

On February 9, 2014, the registrant announced its unaudited financial results for the fourth quarter and fiscal year ended December 31, 2014. A copy of the press release issued by the registrant regarding the foregoing is filed herewith as Exhibit 99.1 and is incorporated herein by reference.

Item 5.02. Departure of Directors or Certain Officers; Election of Directors; Appointment of Certain Officers; Compensatory Arrangements of Certain Officers.

For the sole purpose of facilitating the equalization of the numbers of directors in each of the two classes of the registrant's directors as required by Article V Section 1 of the registrant's Sixth Amended and Restated Certificate of Incorporation, effective February 7, 2015, Dr. Charles Zhang, the registrant's Chairman of the Board and Chief Executive Officer, resigned from the class of directors whose term will expire at the registrant's 2015 annual meeting of stockholders. Effective simultaneously with Dr. Zhang's resignation, the registrant's Board of Directors (the "Board") (i) reduced from four to three the number of directors in the class whose term will expire at the registrant's 2015 annual meeting of stockholders, (ii) increased from two to three the number of directors in the class whose term will expire at the registrant's 2016 annual meeting of stockholders and (iii) appointed Dr. Zhang as a director in the class of directors whose term will expire at the registrant's 2016 annual meeting of stockholders, to fill the vacancy created by such increase. Also effective on February 7, 2015, the Board re-appointed Dr. Zhang as Chairman of the Board.

Item 5.03. Amendments to Articles of Incorporation or Bylaws; Change in Fiscal Year.

On February 7, 2015, the Board approved and adopted Second Amended and Restated By-Laws (as so amended and restated, the "By-Laws") of the registrant, amending and restating the registrant's existing by-laws in their entirety, effective immediately. Significant amendments effected by such amendment and restatement include, among other amendments, the following:

Filling of Vacancies in the Board: The amendment and restatement removed a provision stating that a director appointed by the Board to fill a vacancy in the Board will serve only until the next annual meeting of stockholders after the appointment. The amendment permits the Board to fill a vacancy by appointing a director to a particular class of directors, such that the director will be up for election at the next annual meeting of stockholders when that class is up for election. This change facilitated the Board's making the two Board classes as nearly equal as reasonably possible, as is required by Article V Section 1 of the registrant's Sixth Amended and Restated Certificate of Incorporation and as discussed above under Item 5.02 of this report.

Stockholder Proposals. The amendment and restatement changes the earliest and latest dates for stockholder proposals for the registrant's annual meeting of stockholders (including stockholders' nominations of directors) from (i) not more than 90 and not less than 60 days before the date of the annual meeting of stockholders to (ii) not more than 120 and not less than 90 days before the first anniversary of the prior year's annual meeting of stockholders. The amendment and restatement also specifies certain requirements as to the content of notices of such stockholder proposals.

Conduct of Stockholder Meetings. The amendment and restatement provides detailed procedures for the conduct of stockholder meetings.

Matters Presented to the Stockholders. The amendment and restatement provides that, unless a different voting standard is provided in the certificate of incorporation or pursuant to a rule, regulation or other law, the voting standard for all matters presented to the stockholders (other than for the election of directors) will be the affirmative vote of the holders of a majority in voting power present in person and by proxy entitled to vote on the matter.

Advancement of Expenses Mandatory. The amendment and restatement makes mandatory the advancement of expenses to directors and executive officers of the registrant who are entitled to indemnification from the registrant. Prior to the amendment and restatement, such advancement had been permitted, but was not mandatory.

Selection of Exclusive Forum. The amendment and restatement provides that, unless the registrant consents otherwise in writing, the Court of Chancery of the State of Delaware will be the exclusive forum for (i) any derivative action or proceeding brought on behalf of the registrant, (ii) any action asserting a claim of breach of a fiduciary duty owed by any director, officer or other employee of the registrant to the registrant or to the registrant's stockholders, (iii) any action asserting a claim arising pursuant to any provision of the General Corporation Law of the State of Delaware, or (iv) any action asserting a claim governed by the internal affairs doctrine.

The amendment and restatement includes other changes intended to clarify and conform various provisions of the By-Laws to the General Corporation Law of the State of Delaware. The above summary is qualified in its entirety by the full text of the By-Laws, a copy of which is attached to this report as Exhibit 3.2 and is incorporated herein by reference.

On February 10, 2015, the registrant filed with the Secretary of State of the State of Delaware a Certificate of Elimination of Series A Junior Participating Cumulative Preferred Stock. The Certificate of Elimination, which became effective upon filing, eliminated the provisions of the registrant's Sixth Amended and Restated Certificate of Incorporation relating to the Series A Junior Participating Cumulative Preferred Stock, par value \$.001 per share, of the registrant that had been designated by the Board in 2001 in connection with a stockholder rights plan that expired in 2011. No shares of the Series A Junior Participating Cumulative Preferred Stock are outstanding and the Board has no plans to issue such shares. A copy of the Certificate of Elimination is attached to this report as Exhibit 3.1 and is incorporated herein by reference.

Item 8.01 Other Events.

As a result of the amendment and restatement of the By-Laws described above in Item 5.03 of this report, stockholder nominations for election to the Board at the registrant's 2015 annual meeting of stockholders, and any stockholder proposals to bring other business before the 2015 annual meeting of stockholders (but not included in the registrant's proxy materials for that meeting), must be made in writing and delivered to the Secretary of the registrant at the registrant's principal executive offices not earlier than February 20, 2015 and not later than March 22, 2015. Additional detailed requirements for notices of stockholder proposals are set forth in the By-Laws, a copy of which is attached to this report as Exhibit 3.2.

Item 9.01 Financial Statements and Exhibits.

(c) Exhibits.

- 3.1 Certificate of Elimination of Series A Junior Participating Cumulative Preferred Stock
- 3.2 Second Amended and Restated By-Laws
- 99.1 Press Release dated February 9, 2015

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

DATED: February 12, 2015

SOHU.COM INC.

By: _____ /s/ Carol Yu

Carol Yu

President and Chief Financial Officer

**CERTIFICATE OF ELIMINATION OF SERIES A JUNIOR PARTICIPATING CUMULATIVE PREFERRED STOCK OF
SOHU.COM INC.**

Pursuant to Section 151(g) of the
General Corporation Law of the State of Delaware

Sohu.com Inc., a corporation organized and existing under the laws of the State of Delaware (the "Company"), in accordance with the provisions of Section 151(g) of the General Corporation Law of the State of Delaware, hereby certifies as follows:

1. That, pursuant to Section 151 of the General Corporation Law of the State of Delaware and authority granted in the Sixth Amended and Restated Certificate of Incorporation of the Company, as theretofore amended, the Board of Directors of the Company, by resolution duly adopted, authorized the issuance of a series of Two Hundred Thousand (200,000) shares of Series A Junior Participating Cumulative Preferred Stock, par value \$.001 per share (the "Preferred Stock"), and established the voting powers, designations, preferences and relative, participating and other rights, and the qualifications, limitations or restrictions thereof, and, on July 27, 2001, filed a Certificate of Designation with respect to such Preferred Stock in the office of the Secretary of State of the State of Delaware.

2. That no shares of such Preferred Stock are outstanding and no shares thereof will be issued subject to such Certificate of Designation.

3. That the Board of Directors of the Company has adopted the following resolutions:

WHEREAS, by resolution of the Board of Directors of the Company and by a Certificate of Designation (the "Certificate of Designation") filed in the office of the Secretary of State of the State of Delaware on July 27, 2001, the Company authorized the issuance of a series of Two Hundred Thousand (200,000) shares of Series A Junior Participating Cumulative Preferred Stock, par value \$.001 per share, of the Company (the "Preferred Stock") and established the voting powers, designations, preferences and relative, participating and other rights, and the qualifications, limitations or restrictions thereof; and

WHEREAS, as of the date hereof, no shares of such Preferred Stock are outstanding and no shares of such Preferred Stock will be issued subject to such Certificate of Designation; and

WHEREAS, it is desirable that all matters set forth in the Certificate of Designation with respect to such Preferred Stock be eliminated from the Sixth Amended and Restated Certificate of Incorporation, as heretofore amended, of the Company.

NOW, THEREFORE, BE IT AND IT HEREBY IS

RESOLVED, that all matters set forth in the Certificate of Designation with respect to such Preferred Stock be eliminated from the Sixth Amended and Restated Certificate of Incorporation, as heretofore amended, of the Company; and it is further

RESOLVED, that the officers of the Company be, and hereby are, authorized and directed to file a Certificate with the office of the Secretary of State of the State of Delaware setting forth a copy of these resolutions whereupon all matters set forth in the Certificate of Designation with respect to such Preferred Stock shall be eliminated from the Sixth Amended and Restated Certificate of Incorporation, as heretofore amended, of the Company.

4. That, accordingly, all matters set forth in the Certificate of Designation with respect to the Preferred Stock be, and hereby are, eliminated from the Sixth Amended and Restated Certificate of Incorporation, as heretofore amended, of the Company.

IN WITNESS WHEREOF, Sohu.com Inc. has caused this Certificate to be executed by its duly authorized officer on February 10, 2015.

SOHU.COM INC.

By: /s/ Timothy B. Bancroft

Name: Timothy B. Bancroft

Office: Secretary

**SECOND AMENDED AND RESTATED
BY-LAWS
OF
SOHU.COM INC.**

ARTICLE I

Offices

SECTION 1. Registered Office. The registered office of Sohu.com Inc. (the "Corporation") in the State of Delaware shall be 1209 Orange Street, Wilmington, Delaware 19801, in the County of New Castle. The name of the registered agent at such office shall be The Corporation Trust Company.

SECTION 2. Other Offices. The Corporation may also have offices at such other places either within or without the State of Delaware as the Board of Directors (the "Board") may from time to time determine.

ARTICLE II

Meetings of Stockholders

SECTION 1. Annual Meetings. The annual meeting of the stockholders of the Corporation for the election of directors and for the transaction of such other business as may properly come before the meeting shall be held at such hour and place as the Board may determine on the second Tuesday in May of each year or on such other date as the Board may determine. The Corporation may postpone, recess adjourn, reschedule or cancel any annual meeting of stockholders previously scheduled by the Board.

SECTION 2. Special Meetings. A special meeting of the stockholders for any purpose or purposes may be called at any time by the Board or by the Chief Executive Officer, and such meeting shall be held on such date and at such place and hour as is designated in the notice thereof. Any power of stockholders to call a special meeting is specifically denied. Business transacted at any special meeting of stockholders shall be limited to the purposes stated in the notice. The Corporation may postpone, recess adjourn, reschedule or cancel any special meeting of stockholders previously scheduled by the Board.

SECTION 3. Notice of Meetings; Adjournments. Except as otherwise expressly required by these By-laws, the Certificate of Incorporation or by law, notice of each meeting of the stockholders shall be given not less than ten (10) nor more than sixty (60) days before the date of the meeting to each stockholder of record entitled to vote at such meeting as of the record date for determining stockholders entitled to notice of the meeting. If mailed, such notice shall be deemed given when deposited in the United States mail, postage prepaid, directed to such stockholder at such stockholder's address as it appears on the stock records of the Corporation. Every such notice shall state the place, date and hour of the meeting and, in the case of a special meeting, the purpose or purposes for which the meeting is called. Any meeting of stockholders, annual or special, may adjourn from time to time to reconvene at the same or some other place. Notice of any adjourned meeting of the stockholders shall not be required to be given if the time and place thereof are announced at the meeting at which the adjournment is taken unless the adjournment is for more than thirty (30) days or a new record date for determination of stockholders entitled to vote is fixed for the adjourned meeting. At any adjourned meeting at which a quorum is present any business may be transacted which might have been transacted at the meeting as originally called.

SECTION 4. Quorum and Manner of Acting. Except as otherwise expressly required by law, the Certificate of Incorporation or these By-laws, at each meeting of stockholders, if the holders of a majority in voting power of the outstanding shares of stock of the Corporation entitled to vote at the particular meeting are present in person or by proxy, a quorum for the transaction of business shall exist. In the absence of a quorum at any such meeting or any adjournment or adjournments thereof, a majority in voting power of those present in person or by proxy and entitled to vote thereat may adjourn such meeting from time to time until stockholders holding the amount of stock requisite for a quorum are present in person or by proxy.

SECTION 5. Voting. Except as otherwise provided in the Certificate of Incorporation, each stockholder shall, at each meeting of the stockholders, be entitled to one vote in person or by proxy for each share of stock of the Corporation which has voting power on the matter in question held by such stockholder and registered in such stockholder's name on the stock record of the Corporation:

(a) on the date fixed pursuant to the provisions of Section 6 of Article VII of these By-laws as the record date for the determination of stockholders who will be entitled to vote at such meeting; or

(b) if no record date has been so fixed, at the close of business on the day next preceding the day on which notice is given or, if notice of the meeting is waived, at the close of business on the day next preceding the day on which the meeting will be held.

Except as otherwise provided in the Certificate of Incorporation (including any Certificate of Designation), at all meetings of the stockholders for the election of directors at which a quorum is present a plurality of the votes cast shall be sufficient to elect. All other matters presented to the stockholders at a meeting at which a quorum is present shall be decided by the affirmative vote of the holders of a majority in voting power of the shares of stock of the Corporation which are present in person or by proxy and entitled to vote thereon, unless a different or minimum vote is required by the Certificate of Incorporation, these By-laws, the rules and regulations of any stock exchange applicable to the Corporation or any law or regulation applicable to the Corporation or its securities, in which case such different or minimum vote shall instead be the applicable vote on the matter. Voting at meetings of stockholders need not be by written ballot.

SECTION 6. Written Consent of Stockholders in Lieu of Meeting Not Permitted. Any action required to be taken or any other action which may be taken by the stockholders must be taken at a duly called annual or special meeting of stockholders, and may not be taken by a consent in writing by such holders.

SECTION 7. Advance Notice of Stockholder Business and Nominations.

(a) Annual Meetings of Stockholders. (1) Nominations of persons for election to the Board and the proposal of other business to be considered by the stockholders may be made at an annual meeting of stockholders only (A) pursuant to the Corporation's notice of meeting (or any supplement thereto), (B) by or at the direction of the Board or any committee thereof or (C) by any stockholder of the Corporation who was a stockholder of record of the Corporation at the time the notice provided for in this Section 7 is delivered to the Secretary of the Corporation, who is entitled to vote at the meeting and who complies with the notice procedures set forth in this Section 7.

(2) For any nominations or other business to be properly brought before an annual meeting of stockholders by a stockholder pursuant to clause (C) of paragraph (a)(1) of this Section 7, the stockholder must have given timely notice thereof in writing to the Secretary of the Corporation and any such proposed business (other than nominations of persons for election to the Board) must constitute a proper matter for stockholder action. To be timely, a stockholder's notice must be delivered to the Secretary of the Corporation at its principal executive office not later than the close of business on the 90th day, nor earlier than the close of business on the 120th day, prior to the first anniversary of the preceding year's annual meeting, provided, however, that if the date of the annual meeting is more than 30 days before or more than 70 days after such anniversary date, notice by the stockholder must be so delivered not earlier than the close of business on the 120th day prior to such annual meeting and not later than the close of business on the later of the 90th day prior to such annual meeting or the 10th day following the day on which public announcement of the date of such meeting is first made by the Corporation. The public announcement of an adjournment or postponement of an annual meeting will in no event commence a new time period (or extend any time period) for the giving of a stockholder's notice as described above. Such stockholder's notice must set forth (A) as to each person whom the stockholder proposes to nominate for election as a director (i) all information relating to such person that is required to be disclosed in solicitations of proxies for election of directors in an election contest, or is otherwise required, in each case pursuant to and in accordance with Section 14(a) of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), and the rules and regulations promulgated thereunder, and (ii) such person's written consent to being named in the proxy statement as a nominee and to serving as a director if elected; (B) as to any other business that the stockholder proposes to bring before the meeting, a brief description of the business desired to be brought before the meeting, the text of the proposal to be presented (including the text of any resolutions proposed for consideration and in the event that such business includes a proposal to amend the By-laws of the Corporation, the language of the proposed amendment), the reasons for conducting such business at the meeting and any material interest in such business of such stockholder and the beneficial owner, if any, on whose behalf the proposal is made; and (C) as to the stockholder giving the notice and the beneficial owner, if any, on whose behalf the nomination or proposal is made (i) the name and address of such stockholder, as they appear on the Corporation's books, and of such beneficial owner, (ii) the number and class or series of all shares of capital stock of the Corporation which are owned beneficially and of record by such stockholder and such beneficial owner, (iii) a description of any agreement, arrangement or understanding with respect to the nomination or proposal between or among such stockholder and/or such beneficial owner, any of their respective affiliates or associates, and any others acting in concert with any of the foregoing, including, in the case of a nomination, the nominee, (iv) a description of any agreement, arrangement or understanding (including any derivative or short positions, profit interests, options, warrants, convertible securities, stock appreciation or similar rights, hedging transactions, and borrowed or loaned shares) that has been entered into as of the date of the stockholder's notice by, or on behalf of, such stockholder and such beneficial owners, whether or not such instrument or right is subject to settlement in underlying shares of capital stock of the Corporation, the effect or intent of which is to mitigate loss to, manage risk or benefit of share price changes for, or increase or decrease the voting power of, such stockholder or such beneficial owner, with respect to securities of the Corporation, (v) a representation that the stockholder is a holder of record of stock of the Corporation entitled to vote at such meeting and intends to appear in person or by proxy at the meeting to propose such business or nomination, (vi) a representation as to whether the stockholder or the beneficial owner, if any, intends or is part of a group which intends (a) to deliver a proxy statement and/or form of proxy to holders of at least the percentage of the Corporation's outstanding capital stock required to approve or adopt the proposal or elect the nominee and/or (b) otherwise to solicit proxies or votes from stockholders in support of such proposal or nomination, and (vii) any other information relating to such stockholder and beneficial owner, if any, required to be disclosed in a proxy statement or other filings required to be made in connection with solicitations of proxies for, as applicable, the proposal and/or for the election of directors in an election contest pursuant to and in accordance with Section 14(a) of the Exchange Act and the rules and regulations promulgated thereunder. The foregoing notice requirements of this paragraph (a) of this Section 7 shall be deemed satisfied by a stockholder with respect to business other than a nomination if the stockholder has notified the Corporation of his, her or its intention to present a proposal at an annual meeting in compliance with applicable rules and regulations promulgated under the Exchange Act and such stockholder's proposal has been included in a proxy statement that has been prepared by the Corporation to solicit proxies for such annual meeting. The Corporation may require any proposed nominee to furnish such other information as the Corporation may reasonably require to determine the eligibility of such proposed nominee to serve as a director of the Corporation.

(3) Notwithstanding the second sentence of paragraph (a)(2) of this Section 7, in the event that the number of directors to be elected to the Board of Directors of the Corporation at the annual meeting is increased effective after the time period for which nominations would otherwise be due under paragraph (a)(2) of this Section 7 and there is no public announcement by the Corporation naming the nominees for the additional directorships at least one hundred (100) days prior to the first anniversary of the preceding year's annual meeting, a stockholder's notice required by this Section 7 shall also be considered timely, but only with respect to nominees for the additional directorships, if it is delivered to the Secretary at the principal executive offices of the Corporation not later than the close of business on the 10th day following the day on which such public announcement is first made by the Corporation.

(b) Special Meetings of Stockholders. Only such business as has been brought before the meeting pursuant to the Corporation's notice of meeting may be conducted at a special meeting of stockholders. Nominations of persons for election to the Board may be made at a special meeting of stockholders at which directors are to be elected pursuant to the Corporation's notice of meeting (1) by or at the direction of the Board or any committee thereof or (2) provided that the Board has determined that directors will be elected at such meeting, by any stockholder of the Corporation who is a stockholder of record at the time the notice provided for in this Section 7 is delivered to the Secretary of the Corporation, who is entitled to vote at the meeting and upon such election and who complies with the notice procedures set forth in this Section 7. In the event the Corporation calls a special meeting of stockholders for the purpose of electing one or more directors to the Board, any such stockholder entitled to vote in such election of directors may nominate a person or persons (as the case may be) for election to such position(s) as specified in the Corporation's notice of meeting, if the stockholder's notice required by paragraph (a)(2) of this Section 7 is delivered to the Secretary at the principal executive offices of the Corporation no earlier than the close of business on the 120th day prior to such special meeting and no later than the close of business on the later of the 90th day prior to such special meeting or the 10th day following the day on which public announcement is first made of the date of the special meeting and of the nominees proposed by the Board to be elected at such meeting. The public announcement of an adjournment or postponement of a special meeting will in no event commence a new time period (or extend any time period) for the giving of a stockholder's notice as described above.

(c) **General.** (1) Except as otherwise expressly provided in any applicable rule or regulation promulgated under the Exchange Act, only such persons as are nominated in accordance with the procedures set forth in this Section 7 shall be eligible to be elected at an annual or special meeting of stockholders of the Corporation to serve as directors and only such business may be conducted at a meeting of stockholders as has been brought before the meeting in accordance with the procedures set forth in this Section 7. Except as otherwise provided by law, the chairman of the meeting shall have the power and duty (a) to determine whether a nomination or any business proposed to be brought before the meeting was made or proposed, as the case may be, in accordance with the procedures set forth in this Section 7 (including whether the stockholder or beneficial owner, if any, on whose behalf the nomination or proposal is made, solicited (or is part of a group which solicited) or did not so solicit, as the case may be, proxies or votes in support of such stockholder's nominee or proposal in compliance with such stockholder's representation as required by clause (a)(2)(C)(vi) of this Section 7) and (b) if any proposed nomination or business was not made or proposed in compliance with this Section 7, to declare that such nomination will be disregarded or that such proposed business will not be transacted. Notwithstanding the foregoing provisions of this Section 7, unless otherwise required by law, if the stockholder (or a qualified representative of the stockholder) does not appear at the annual or special meeting of stockholders of the Corporation to present a nomination or proposed business, such nomination shall be disregarded and such proposed business shall not be transacted, notwithstanding that proxies in respect of such vote may have been received by the Corporation. For purposes of this Section 7, to be considered a qualified representative of the stockholder, a person must be a duly authorized officer, manager or partner of such stockholder or must be authorized by a writing executed by such stockholder or an electronic transmission delivered by such stockholder to act for such stockholder as proxy at the meeting of stockholders and such person must produce such writing or electronic transmission, or a reliable reproduction of the writing or electronic transmission, at the meeting of stockholders.

(2) For purposes of this Section 7, "public announcement" shall include disclosure in a press release reported by the Dow Jones News Service, Associated Press or other national news service or in a document publicly filed by the Corporation with the Securities and Exchange Commission pursuant to Section 13, 14 or 15(d) of the Exchange Act and the rules and regulations promulgated thereunder.

(3) Notwithstanding the foregoing provisions of this Section 7, a stockholder must also comply with all applicable requirements of the Exchange Act and the rules and regulations promulgated thereunder with respect to the matters set forth in this Section 7; provided however, that any references in these By-laws to the Exchange Act or the rules and regulations promulgated thereunder are not intended to and shall not limit any requirements applicable to nominations or proposals as to any other business to be considered pursuant to this Section 7 (including paragraphs (a)(1)(C) and (b) hereof), and compliance with paragraphs (a)(1)(C) and (b) of this Section 7 shall be the exclusive means for a stockholder to make nominations or submit other business (other than, as provided in the penultimate sentence of (a)(2), business other than nominations brought properly under and in compliance with Rule 14a-8 of the Exchange Act, as may be amended from time to time). Nothing in this Section 7 shall be deemed to affect any rights (a) of stockholders to request inclusion of proposals or nominations in the Corporation's proxy statement pursuant to applicable rules and regulations promulgated under the Exchange Act or (b) of the holders of any series of Preferred Stock to elect directors pursuant to any applicable provisions of the certificate of incorporation.

SECTION 8. Inspectors. The Corporation shall, in advance of any meeting of stockholders, appoint one or more inspectors of election, who may be employees of the Corporation, to act at the meeting or any adjournment thereof and to make a written report thereof. The Corporation may designate one or more persons as alternate inspectors to replace any inspector who fails to act. In the event that no inspector so appointed or designated is able to act at a meeting of stockholders, the chairman of the meeting shall appoint one or more inspectors to act at the meeting. Each inspector, before entering upon the discharge of his or her duties, shall take and sign an oath to execute faithfully the duties of inspector with strict impartiality and according to the best of his or her ability. The inspector or inspectors so appointed or designated shall (i) ascertain the number of shares of capital stock of the Corporation outstanding and the voting power of each such share, (ii) determine the shares of capital stock of the Corporation represented at the meeting and the validity of proxies and ballots, (iii) count all votes and ballots, (iv) determine and retain for a reasonable period a record of the disposition of any challenges made to any determination by the inspectors, and (v) certify their determination of the number of shares of capital stock of the corporation represented at the meeting and such inspectors' count of all votes and ballots. Such certification and report shall specify such other information as may be required by law. In determining the validity and counting of proxies and ballots cast at any meeting of stockholders of the Corporation, the inspectors may consider such information as is permitted by applicable law. No person who is a candidate for an office at an election may serve as an inspector at such election.

SECTION 9. Conduct of Meetings. The date and time of the opening and the closing of the polls for each matter upon which the stockholders will vote at a meeting shall be announced at the meeting by the chairman of the meeting. The Board may adopt by resolution such rules and regulations for the conduct of the meeting of stockholders as it deems appropriate. Except to the extent inconsistent with such rules and regulations as adopted by the Board, the chairman of the meeting of stockholders shall have the right and authority to convene and (for any or no reason) to recess and/or adjourn the meeting, to prescribe such rules, regulations and procedures and to do all such acts as, in the judgment of such chairman, are appropriate for the proper conduct of the meeting. Such rules, regulations or procedures, whether adopted by the Board or prescribed by the chairman of the meeting, may include, without limitation, the following: (i) the establishment of an agenda or order of business for the meeting; (ii) rules and procedures for maintaining order at the meeting and the safety of those present; (iii) limitations on attendance at or participation in the meeting to stockholders entitled to vote at the meeting, their duly authorized and constituted proxies or such other persons as the chairman of the meeting may determine; (iv) restrictions on entry to the meeting after the time fixed for the commencement thereof; and (v) limitations on the time allotted to questions or comments by participants. The chairman of the meeting of stockholders, in addition to making any other determinations that may be appropriate to the conduct of the meeting, shall, if the facts warrant, determine and declare to the meeting that a matter or business was not properly brought before the meeting and if such chairman so determines, such chairman shall so declare to the meeting and any such matter or business not properly brought before the meeting shall not be transacted or considered. Unless and to the extent determined by the Board or the chairman of the meeting, meetings of stockholders shall not be required to be held in accordance with the rules of parliamentary procedure.

ARTICLE III

Board of Directors

SECTION 1. General Powers. The business and affairs of the Corporation shall be managed by or under the direction of the Board.

SECTION 2. Number. The number of directors which shall constitute the entire Board shall be seven (7) initially and, except as otherwise provided in the Certificate of Incorporation (including any Certificate of Designation), thereafter the number shall be fixed from time to time by resolution of the Board.

SECTION 3. Meetings.

(A) Annual Meeting. The annual meeting of the Board, for the purpose of organization, the election of officers and the transaction of other business, shall be held as promptly as practicable after each annual meeting of stockholders or the special meeting in lieu thereof.

(B) Regular Meetings. Regular meetings of the Board or any committee thereof shall be held at such time and place, within or without the State of Delaware, as the Board or such committee shall from time to time determine.

(C) Special Meetings. Special meetings of the Board may be called by order of the Chief Executive Officer or by a majority of the directors then in office.

(D) Notice of Meetings. No notice of regular meetings of the Board or of any committee thereof or of any adjourned meeting thereof need be given. The Secretary shall give prior notice to each director of the time and place of each special meeting of the Board. Such notice shall be given to each director at least twenty-four hours before the special meeting. Notice to directors may be given by telephone or other means of electronic transmission. A waiver of notice given by the director or directors entitled to such notice, whether before or after the time stated therein, shall be deemed equivalent thereto for purposes of this Section 3(D). No notice to or waiver by any director with respect to any special meeting shall be required if such director is present at such meeting, except when the director attends a meeting for the express purpose of objecting, at the beginning of the meeting, to the transaction of any business because the meeting is not lawfully called or convened.

(E) Quorum and Manner of Acting.

(a) At all meetings of the Board at which a quorum is present, each director present shall have one vote on any matter presented.

(b) Except as otherwise expressly required by the Certificate of Incorporation, these By-laws or by law, a majority of the directors then in office (although not less than one-third of the entire Board) or a majority of the members of any committee, as applicable, must be present in person at any meeting of the Board or any committee thereof, as applicable, in order to constitute a quorum for the transaction of business at such meeting, and the vote of a majority of the directors present at any such meeting at which a quorum is present shall be necessary for the passage of any resolution or for an act to be the act of the Board or such committee, as applicable. In the absence of a quorum, a majority of the directors present thereat may adjourn such meeting either finally or from time to time to another time and place until a quorum is present thereat.

(F) Consent in Lieu of Meeting. Unless otherwise restricted by the Certificate of Incorporation or these By-laws, any action required or permitted to be taken at any meeting of the Board or any committee thereof may be taken without a meeting if all members of the Board or committee, as the case may be, consent thereto in a writing or writings or by electronic transmission and such writing or writings or electronic transmissions are filed with the minutes of the proceedings of the Board or committee.

(G) Action by Communications Equipment. The directors may participate in a meeting of the Board or any committee thereof by means of conference telephone or other communications equipment by means of which all persons participating in the meeting can hear each other and such participation shall constitute presence in person at such meeting.

SECTION 4. Compensation. Each director, in consideration of serving as such, may receive from the Corporation such amount per annum and such fees and expenses incurred for attendance at meetings of the Board or of any committee, or both, as the Board may from time to time determine. Nothing contained in this Section shall be construed to preclude any director from serving the Corporation in any other capacity and receiving compensation therefor.

SECTION 5. [Intentionally omitted.]

SECTION 6. Committees. The Board may designate one or more committees, each committee to consist of one or more of the directors of the Corporation. The Board may designate one or more directors as alternate members of any committee, who may replace any absent or disqualified member at any meeting of the committee. In the absence or disqualification of a member of the committee, the member or members thereof present at any meeting and not disqualified from voting, whether or not he, she or they constitute a quorum, may unanimously appoint another member of the Board of Directors to act at the meeting in place of any such absent or disqualified member. Any such committee, to the extent permitted by law and to the extent provided in the resolution of the Board, shall have and may exercise all the powers and authority of the Board in the management of the business and affairs of the corporation, and may authorize the seal of the corporation to be affixed to all papers that may require it. Except as the Board may otherwise determine, any such committee may, by majority vote of the members of the entire committee, make rules for the conduct of its business. The Board shall have the power at any time to fill vacancies in any such committee, to change its membership or to discharge the committee.

ARTICLE IV

Officers

SECTION 1. Election and Appointment and Term of Office. The officers of the Corporation shall be a Chief Executive Officer, a President, such number, if any, of Vice Presidents (including any Executive or Senior Vice Presidents) as the Board may from time to time determine, a Secretary and a Chief Financial Officer. Each such officer shall be elected by the Board at its annual meeting and hold office for such term as may be prescribed by the Board. Two or more offices may be held by the same person. The Chief Executive Officer may, but need not, be chosen from among the Directors.

The Board may elect or appoint (and may authorize the Chief Executive Officer to appoint) such other officers (including one or more Assistant Secretaries and Assistant Financial Officers) as it deems necessary who shall have such authority and shall perform such duties as the Board or the Chief Executive Officer may from time to time prescribe.

If additional officers are elected or appointed during the year, each shall hold office until the next annual meeting of the Board at which officers are regularly elected or appointed and until such officer's successor is elected or appointed and qualified or until such officer's earlier death or resignation or removal in the manner hereinafter provided.

SECTION 2. Duties and Functions.

(A) Chief Executive Officer. The Chief Executive Officer shall be the chief executive officer of the Corporation and shall have general direction and supervision over the business and affairs of the Corporation, subject to the directions and limitations imposed by the Board and these By-laws, and shall see that all orders and resolutions of the Board are carried into effect. The Chief Executive Officer shall, if present, preside at all meetings of stockholders and, if also a director, of the Board and shall also perform such other duties and have such other powers as are prescribed by these By-laws or as may be from time to time prescribed by the Board.

(B) President. The President shall have such powers and duties as are prescribed by the Board.

(B) Vice Presidents. Each Vice President shall have such powers and duties as are prescribed by the Board.

(C) Secretary. The Secretary shall attend and keep the records of all meetings of the stockholders, the Board and all other committees, if any, in one or more books kept for that purpose. The Secretary shall give or cause to be given due notice of all meetings accordance with these By-laws and as required by law. The Secretary shall notify the several officers of the Corporation of all action taken by the Board concerning matters relating to their duties and shall transmit to the appropriate officers copies of all contracts and resolutions approved by the Board. The Secretary shall be custodian of the seal of the Corporation and of all contracts, deeds, documents and other corporate papers, records (except financial and accounting records) and indicia of title to properties owned by the Corporation as shall not be committed to the custody of another officer by the Board or by the Chief Executive Officer. The Secretary shall affix or cause to be affixed the seal of the Corporation to instruments requiring the same when the same have been signed on behalf of the Corporation by a duly authorized officer. The Secretary shall perform all duties and have all powers incident to the office of Secretary and shall perform such other duties as shall be assigned by the Board or the Chief Executive Officer. The Secretary may be assisted by one or more Assistant Secretaries, who shall, in the absence or disability of the Secretary, perform the duties and exercise the powers of the Secretary.

(D) Chief Financial Officer. The Chief Financial Officer shall have charge and custody of the corporate funds and other valuable effects, including securities. The Chief Financial Officer shall keep true and full accounts of all assets, liabilities, receipts and disbursements and other transactions of the Corporation and shall cause regular audits of the books and records of the Corporation to be made. The Chief Financial Officer shall perform all duties and have all powers incident to the office of Chief Financial Officer and shall perform such other duties as shall be assigned by the Board or the Chief Executive Officer. The Chief Financial Officer may be assisted by one or more Assistant Financial Officers, who shall, in the absence or disability of the Chief Financial Officer, perform the duties or exercise the powers of the Chief Financial Officer.

SECTION 4. Resignation, Removal and Vacancies. Any officer may resign at any time by giving written notice of such resignation to the Chief Executive Officer or the Secretary of the Corporation. Any such resignation shall take effect at the time specified therein or, if not specified therein, when received.

Any officer, agent or employee may be removed, with or without cause, at any time by the Board or by the officer who made such appointment, but such removal shall be without prejudice to the contractual rights of such officer agent or employee, if any, with the Corporation.

A vacancy in any office may be filled for the unexpired portion of the term in the same manner as provided in these By-laws for election or appointment to such office.

ARTICLE V

Waiver of Notices; Place of Meetings

SECTION 1. Waiver of Notices. A waiver of notice given by the person entitled to such notice, or by attorney thereunto authorized, shall be deemed equivalent to notice, whether given before or after the time specified therein. Attendance of a person at a meeting shall constitute a waiver of notice of such meeting, except where the person attends the meeting for the express purpose of objecting, at the beginning of the meeting, to the transaction of any business on the ground that the meeting is not lawfully called or convened. Neither the business to be transacted at nor the purpose of any regular or special meeting of the stockholders, directors, or members of a committee of directors need be specified in a waiver of notice.

SECTION 2. Place of Meetings. Any meeting of the stockholders, the Board or any committee of the Board may be held within or outside the State of Delaware.

ARTICLE VI

Execution and Delivery of Documents: Deposits; Proxies; Books and Records

SECTION 1. Execution and Delivery of Documents; Delegation. The Board shall designate the officers, employees and agents of the Corporation who shall have power to execute and deliver deeds, contracts, mortgages, bonds, debentures, checks, drafts and other orders for the payment of money and other documents for and in the name of the Corporation and may authorize such officers, employees and agents to delegate such power (including authority to redelegate) by written instrument to other officers, employees or agents of the Corporation.

SECTION 2. Deposits. All funds of the Corporation not otherwise employed shall be deposited from time to time to the credit of the Corporation or otherwise as the Board or the Chief Executive Officer or any other officer, employee or agent of the Corporation to whom power in that respect shall have been delegated by the Board or these By-laws shall select.

SECTION 3. Proxies in Respect of Stock or Other Securities of Other Corporations. The Chief Executive Officer or any officer of the Corporation designated by the Board shall have the authority from time to time to appoint and instruct an agent or agents of the Corporation to exercise in the name and on behalf of the Corporation the powers and rights which the Corporation may have as the holder of stock or other securities in any other entity, to vote or consent in respect of such stock or securities and to execute or cause to be executed in the name and on behalf of the Corporation and under its corporate seal or otherwise, such written proxies, powers of attorney or other instruments as the Chief Executive Officer or such officer may deem necessary or proper in order that the Corporation may exercise such powers and rights.

SECTION 4. Books and Records. The books and records of the Corporation may be kept at such places within or without the State of Delaware as the Board may from time to time determine.

ARTICLE VII

Certificates; Stock Record; Transfer and Registration; New Certificates; Record Date; etc.

SECTION 1. Certificates for Stock. The shares of the Corporation shall be represented by certificates, provided that the Board may provide by resolution or resolutions that some or all of any or all classes or series of stock shall be uncertificated shares. Any such resolution shall not apply to shares represented by a certificate until such certificate is surrendered to the Corporation. Every owner of stock of the Corporation represented by certificates shall be entitled to have a certificate certifying the number of shares owned by such stockholder in the Corporation and designating the class of stock to which such shares belong, which shall otherwise be in such form as the Board shall prescribe. Each such certificate shall be signed by the Chairman of the Board, the President or a Vice President and the Secretary or an Assistant Secretary of the Corporation. Any of or all such signatures may be facsimiles. In case any officer, transfer agent or registrar who has signed or whose facsimile signature has been placed upon a certificate shall have ceased to be such officer, transfer agent or registrar before such certificate is issued, it may nevertheless be issued by the Corporation with the same effect as if such person were such officer, transfer agent or registrar at the date of issue. Every certificate surrendered to the Corporation for exchange or transfer shall be canceled and a new certificate or certificates or uncertificated shares shall not be issued in exchange for any existing certificate until such existing certificate shall have been so canceled, except in cases provided for in Section 4 of this Article.

SECTION 2. Stock Record. A stock record in one or more counterparts shall be kept of the name of the person, firm or corporation owning the stock of the Corporation; the number of shares represented by each stock certificate or the number of uncertificated shares; the date of any such stock certificate or the date of issuance of any such uncertificated share; and, in the case of cancellation, the date of cancellation of any such stock certificate or uncertificated share.

SECTION 3. Transfer and Registration of Stock. Registration of transfers of shares of the Corporation represented by a stock certificate shall be made only on the books of the Corporation by the registered holder thereof, or by such holder's attorney thereunto authorized by power of attorney duly executed and filed with the Secretary, and on the surrender of the certificate or certificates for such shares properly endorsed or accompanied by a stock power duly executed, with any necessary transfer stamps affixed and with such proof of authenticity of signatures and such proof of authority to make the transfer as may be required by the Corporation or its transfer agent. Registration of transfers of uncertificated shares of the Corporation shall be made only on the books of the Corporation by the registered holder thereof, or by such holder's attorney thereunto authorized by power of attorney duly executed and filed with the Secretary, and upon receipt by the Corporation or its transfer agent of proper transfer instructions as may be required by the Corporation or its transfer agent.

SECTION 4. Lost, Stolen or Destroyed Certificates. The Board may direct a new share certificate or certificates or uncertificated shares to be issued by the Corporation for any certificate or certificates alleged to have been lost, stolen, mutilated or destroyed, upon the making of an affidavit of that fact by the person claiming the certificate to be lost, stolen, mutilated or destroyed. When authorizing such issue of a new certificate or certificates or uncertificated shares, the Board may, in its discretion and as a condition precedent to the issuance thereof, require the owner of such lost, stolen, mutilated or destroyed certificate or certificates, or such owner's legal representative, to give the Corporation a bond in such sum and in such form as it may direct as indemnity against any claim that may be made against the Corporation with respect to the certificate alleged to have been lost, stolen, mutilated or destroyed.

SECTION 5. Regulations. The Board may make such rules and regulations as it may deem expedient, not inconsistent with these By-laws or applicable law, concerning the issue, transfer and registration of certificates for stock or uncertificated shares of the Corporation.

SECTION 6. Fixing Date for Determination of Stockholders of Record.

(A) In order that the Corporation may determine the stockholders entitled to notice of any meeting of stockholders or any adjournment thereof, the Board may fix, in advance, a record date, which record date does not precede the date upon which the resolution fixing the record date is adopted by the Board, and which record date is not, unless otherwise required by law, more than 60 days nor less than 10 days before the date of such meeting. If the Board so fixes a date, such date shall also be the record date for determining the stockholders entitled to vote at such meeting unless the Board determines, at the time it fixes such record date, that a later date on or before the date of the meeting will be the date for making such determination. If no record date is fixed by the Board, the record date for determining stockholders entitled to notice of or to vote at a meeting of stockholders shall be at the close of business on the day next preceding the day on which notice is given, or, if notice is waived, at the close of business on the day next preceding the day on which the meeting is held. A determination of stockholders of record entitled to notice of or to vote at a meeting of the stockholders shall apply to any adjournment of the meeting; provided, however, that the Board may fix a new record date for determination of stockholder entitled to vote at the adjourned meeting, and in such case shall also fix as the record date for stockholders entitled to notice of such adjourned meeting the same or an earlier date as that fixed for determination of stockholders entitled to vote in accordance herewith at the adjourned meeting.

(B) In order that the Corporation may determine the stockholders entitled to receive payment of any dividend or other distribution or allotment of any rights, or entitled to exercise any rights in respect of any change, conversion or exchange of stock or for the purpose of any other lawful action, the Board may fix a record date, which record date does not precede the date upon which the resolution fixing the record date is adopted, and which record date is not more than 60 days prior to such action. If no such record date is fixed, the record date for determining stockholders for any such purpose shall be at the close of business on the day on which the Board adopts the resolution relating thereto.

ARTICLE VIII

Seal

The Board shall provide a corporate seal which shall bear the full name of the Corporation and the year and state of its incorporation.

ARTICLE IX

Indemnification

SECTION 1. Right to Indemnification in Third Party Proceedings. The Corporation shall, to the full extent legally permissible, indemnify any person who was or is a party or is threatened to be made a party to any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative or investigative, including a grand jury proceeding, and all appeals (but excluding any such action, suit or proceeding by or in the right of the Corporation), by reason of the fact that such person is or was a director or executive officer (as hereinafter defined), or is or was serving at the request of the Corporation as a director, officer, partner, trustee, employee or agent of another corporation, partnership, joint venture, trust or other enterprise, against expenses (including attorneys' fees), judgments, fines and amounts paid in settlement actually and reasonably incurred by such person in connection with such action, suit or proceeding if such person acted in good faith and in a manner such person reasonably believed to be in or not opposed to the best interests of the Corporation, and, with respect to any criminal action or proceeding, had no reasonable cause to believe the conduct in question was unlawful. The termination of any action, suit or proceeding by judgment, order, settlement, conviction, or upon a plea of nolo contendere or its equivalent, shall not, of itself, create a presumption that such person did not act in good faith and in a manner which such person reasonably believed to be in or not opposed to the best interests of the Corporation, and, with respect to any criminal action or proceeding, that such person had reasonable cause to believe that the conduct in question was unlawful. As used in this Article IX, an "executive officer" of the Corporation shall be any officer designated as such by the Board.

SECTION 2. Right to Indemnification in Proceedings By or in the Right of the Corporation. The Corporation shall, to the full extent legally permissible, indemnify any person who was or is a party or is threatened to be made a party to any threatened, pending or completed action or suit, including appeals, by or in the right of the Corporation to procure a judgment in its favor, by reason of the fact that such person is or was a director or executive officer (as defined in Section 1 of this Article) of the Corporation, or is or was serving at the request of the Corporation as a director, officer, partner, trustee, employee or agent of another corporation, partnership, joint venture, trust or other enterprise, against expenses (including attorneys' fees) actually and reasonably incurred by such person in connection with the defense or settlement of such action or suit if such person acted in good faith and in a manner such person reasonably believed to be in or not opposed to the best interests of the corporation, except that no indemnification shall be made in respect of any claim, issue or matter as to which such person has been adjudged to be liable to the Corporation unless and only to the extent that the Court of Chancery or the court in which such action or suit was brought determines upon application that, despite the adjudication of liability but in view of all the circumstances of the case, such person is fairly and reasonably entitled to indemnity for such expenses which the Court of Chancery or such other court deems proper.

SECTION 3. Determination of Right of Indemnification. Any indemnification of a director or executive officer (unless ordered by a court) shall be made by the Corporation only as authorized in the specific case upon a determination that such indemnification is proper in the circumstances because the director or executive officer has met the applicable standard of conduct as set forth in Sections 1 and 2 hereof. Such a determination shall be made, with respect to a person who is a director or executive officer of the Corporation at the time of such determination (i) by a majority vote of the directors who are not parties to such action, suit or proceeding, even though less than a quorum, (ii) by a committee of such directors designated by a majority vote of such directors, even though less than a quorum, (iii) if there are no such directors, or if such directors so direct, by independent legal counsel in a written opinion, or (iv) by the stockholders.

SECTION 4. Indemnification Against Expenses of Successful Party. Notwithstanding any other provision of this Article IX, to the extent that a director or officer of the Corporation has been successful in whole or in part on the merits or otherwise in defense of any action, suit or proceeding or in defense of any claim, issue or matter therein, such person shall be indemnified against all expenses (including attorneys' fees) actually and reasonably incurred in connection therewith.

SECTION 5. Advances of Expenses. Expenses incurred by a director or executive officer in any action, suit or proceeding shall, to the full extent legally permissible, be paid by the Corporation in advance of the final disposition thereof, if such person undertakes to repay such amount in the event that it is ultimately determined, as provided herein, that such person is not entitled to indemnification.

SECTION 6. Right to Indemnification Upon Application; Procedure Upon Application. Any indemnification under Sections 1, 2, or 4 of this Article IX shall be made promptly, and in any event within ninety days, upon the written request of the person seeking to be indemnified (following the final disposition of such action, suit or proceeding), unless a determination is reasonably and promptly made such person did not meet the standard of conduct set forth in such Sections. Payment of any claim for advancement of expenses under Section 5 of this Article IX shall be made promptly, and in any event within thirty days, upon the receipt by the Corporation of a statement or statements requesting such amounts to be advanced. The right to indemnification or advancement of expenses as granted by this Article shall be enforceable by such person in any court of competent jurisdiction, if the Corporation denies the claim therefor, in whole or in part, or if no disposition of such claim is made within ninety days.

SECTION 7. Other Right and Remedies; Continuation of Rights. The indemnification and advancement of expenses provided by this Article IX shall not be deemed exclusive of any other rights to which any person seeking indemnification or advancement of expenses may be entitled under any By-law, agreement, vote of stockholders or disinterested directors, the General Corporation Law of the State of Delaware or otherwise, both as to action in such person's official capacity and as to action in another capacity while holding such office. All rights to indemnification or advancement under this Article IX shall be deemed to be in the nature of contractual rights bargained for and enforceable by each director and executive officer as defined in Section 1 of this Article who serves in such capacity at any time while this Article IX and other relevant provisions of the General Corporation Law of the State of Delaware and other applicable laws, if any, are in effect. All rights to indemnification under this Article or advancement of expenses shall continue as to a person who has ceased to be a director or executive officer, and shall inure to the benefit of the heirs, executors and administrators of such a person. No repeal or modification of this Article IX shall adversely affect any such rights or obligations then existing with respect to any state of facts then or theretofore existing or any action, suit or proceeding theretofore or thereafter brought based in whole or in part upon any such state of facts. The Corporation shall also indemnify any person for attorneys' fees, costs, and expenses in connection with the successful enforcement of such person's rights under this Article IX.

SECTION 8. Other Indemnities. The Board may authorize indemnification and advancement of expenses to the Corporation's officers who are not executive officers, employees and agents which may be in the same manner and to the same extent provided above.

SECTION 9. Insurance. The Corporation may purchase and maintain insurance on behalf of any person who is or was a director, officer, employee, advisory council member or agent of the Corporation, or is or was serving at the request of the Corporation, as a director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise against any liability asserted against such person and incurred by such person in any such capacity, or arising out of such status as such, whether or not the Corporation would have the power to indemnify such person against such liability under the provisions of this Article IX.

SECTION 10. Constituent Corporations. For the purposes of this Article IX, references to "the Corporation" shall include, in addition to the resulting corporation, any constituent corporations (including any constituent of a constituent) absorbed in a consolidation or merger which, if its separate existence had continued, would have had power and authority to indemnify its directors, officers, employees and agents so that any person who is or was a director, officer, employee or agent of such a constituent corporation or is or was serving at the request of such constituent corporation as a director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise shall stand in the same position under the provisions of this Article IX with respect to the resulting or surviving corporation as such person would have with respect to such constituent corporation if its separate existence had continued.

SECTION 11. Savings Clause. If this Article IX or any portion hereof is invalidated on any ground by any court of competent jurisdiction, then the Corporation shall nevertheless indemnify and advance expenses to each director and executive officer, and those employees and agents of the Corporation granted indemnification pursuant to Section 8 hereof, to the fullest extent permitted by any applicable portion of this Article IX that has not been invalidated or by any other applicable law.

SECTION 12. Other Enterprises, Fines, and Serving at Corporation's Request. For purposes of this Article IX, references to "other enterprises" shall include employee benefit plans; references to "fines" shall include any excise taxes assessed on a person with respect to any employee benefit plan; and references to "serving at the request of the Corporation" shall include any service as a director, officer, employee or agent of the Corporation which imposes duties on, or involves services by, such director, officer, employee, or agent with respect to any employee benefit plan, its participants, or beneficiaries; and a person who acted in good faith and in a manner such person reasonably believed to be in the interest of the participants and beneficiaries of any employee benefit plan shall be deemed to have acted in a manner "not opposed to the best interests of the Corporation" as referred to in this Article IX.

ARTICLE X

Dividends

Subject to the applicable provision of the Certificate of Incorporation, if any, dividends upon the outstanding shares of the Corporation may be declared by the Board at any regular or special meeting pursuant to law and may be paid in cash, in property, or in shares of the Corporation.

ARTICLE XI

Fiscal Year

The fiscal year of the Corporation shall be determined by resolution of the Board.

ARTICLE XII

Amendments

These By-laws may be amended, altered or repealed either by the affirmative vote of the holders of a majority of the stock issued and outstanding and entitled to vote in respect thereof and represented in person or by proxy at any annual or special meeting of the stockholders, or by the Board.

ARTICLE XIII

Forum Selection

Unless the Corporation consents in writing to the selection of an alternative forum, the Court of Chancery of the State of Delaware shall, to the fullest extent permitted by law, be the sole and exclusive forum for (1) any derivative action or proceeding brought on behalf of the Corporation, (2) any action asserting a claim of breach of a fiduciary duty owed by any director, officer or other employee of the Corporation to the Corporation or the Corporation's stockholders, (3) any action asserting a claim arising pursuant to any provision of the General Corporation Law of the State of Delaware, or (4) any action asserting a claim governed by the internal affairs doctrine. Any person or entity purchasing or otherwise acquiring or holding any interest in shares of capital stock of the Corporation shall be deemed to have notice of and to have consented to the provisions of this Article XIII.

SOHU.COM REPORTS FOURTH QUARTER AND FISCAL YEAR 2014 UNAUDITED FINANCIAL RESULTS

BEIJING, CHINA, February 9, 2014 – Sohu.com Inc. (NASDAQ: SOHU), China’s leading online media, search, gaming, community and mobile service group, today reported unaudited financial results for the fourth quarter and fiscal year ended December 31, 2014.

Fourth Quarter Highlights

- Total revenues were US\$477 million, up 24% year-over-year and 11% quarter-over-quarter, exceeding the high end of the Company’s guidance by US\$15 million.
- Brand advertising revenues were US\$148 million, up 20% year-over-year and down 1% quarter-over-quarter. Of this, revenues of Sohu Media Portal, or Sohu.com ex-video, were US\$49 million, down 5% year-over-year. Revenues of Sohu Video were US\$51 million, up 64% year-over-year.
- Sogou¹ revenues were US\$119 million, up 70% year-over-year and 12% quarter-over-quarter.
- Online game revenues were US\$184 million, up 7% year-over-year and 23% quarter-over-quarter.
- GAAP net loss attributable to Sohu.com Inc. was US\$20 million, or US\$0.52 loss per fully-diluted share.
Non-GAAP² net loss attributable to Sohu.com Inc. was US\$14 million, or US\$0.36 loss per fully-diluted share.

Fiscal Year 2014 Highlights

- Total revenues were US\$1.7 billion, up 19% year-over-year.
- Brand advertising revenues were US\$541 million, up 26% year-over-year. Of this, revenues of Sohu Media Portal were US\$198 million, up 9% year-over-year. Revenues of Sohu Video were US\$176 million, up 61% year-over-year.
- Sogou revenues were US\$386 million, up 79% year-over-year.
- Online game revenues were US\$652 million, down 3% year-over-year.
- GAAP net loss attributable to Sohu.com Inc. was US\$171 million, or US\$4.43 loss per fully-diluted share.
Non-GAAP net loss attributable to Sohu.com Inc. was US\$120 million, or US\$3.11 loss per fully-diluted share.

Dr. Charles Zhang, Chairman and CEO of Sohu.com Inc., commented, “Sohu Group ended 2014 with an encouraging quarter as total revenues comfortably topped our prior guidance. For the fourth quarter, total revenues reached \$477 million, up 24% year-on-year. Sohu Media Portal saw the rapid shift of users to our mobile products, Sohu News App and Sohu WAP portal where revenues accounted about one third of total revenues. Sohu Video achieved an over 60% annual rise in revenues, also one third of which was from mobile. Sogou continued to see strong momentum as its top-line grew by 70% year-on-year with its profit hitting new high. Changyou’s TLBB PC game continued to generate sustainable revenues while TLBB 3D mobile game gained initial success with booking gross revenues of over \$65 million in its first two months of operation.”

Dr. Zhang added, “In 2014, we achieved solid progress on a number of key mobile initiatives for each of our business lines. Sohu News App and Sohu WAP portal now collectively have almost 50 million daily active users. More than 60% of Sohu Video’s traffic comes from mobile. Sogou’s mobile Keyboard is the undisputable No.1 Chinese input application on both iPhones and Android phones, while mobile search also showed strong momentum. And Changyou made a breakthrough in mobile game leveraging its extensive experience of developing hard-core MMO games on PC. On the cost side, in the second half of 2014, we took measures to re-align our cost structure and rationalize expenses. We reduced the workforce and significantly lowered marketing expenses. To date, such re-alignment has largely been completed and its effects will be reflected in our financial numbers through 2015.”

¹ Sogou operates the search and Web directory business and offers Internet value-added services (“IVAS”) with respect to Web games developed by third-party developers. In the statements of operations, revenues from search and Web directory are recorded as “Search and Web directory” revenue, and revenues from IVAS are recorded as “Others” revenue.

² Non-GAAP results exclude share-based compensation expense, non-cash tax benefits from excess tax deductions related to share-based awards and income/expense from the adjustment of contingent consideration previously recorded for acquisitions, and dividend and deemed dividend to non-controlling preferred shareholders of Sogou. Explanation of the Company’s non-GAAP financial measures and related reconciliations to GAAP financial measures are included in the accompanying “Non-GAAP Disclosure” and “Reconciliations of Non-GAAP Results of Operation Measures to the Nearest Comparable GAAP Measures.”

Mr. Xiaochuan Wang, CEO of Sogou, commented, “In 2014, Sogou continued on its rapid growth trajectory upon the smooth integration with Soso. Sogou now provides a full range of search services for the vast number of Tencent users. Moreover, we have deepened our cooperation with Tencent’s various products, in particular with Weixin. Following the launch of a unique function that allows Sogou users to search content published by Weixin’s official accounts, in our latest version of our mobile search App, we added a new feature called “Weixin Headlines”, which surfaces the most popular and breaking news stories being shared on Weixin. These and other innovative features differentiate Sogou search’s user experience. Partly as a result, we have seen robust search traffic growth with mobile traffic growing over 150% in the past twelve months. Healthy traffic and monetization meant that for 2014, Sogou revenues reached \$386 million, up 79% year-on-year. Operating leverage on the rapid revenue growth allowed Sogou to achieve over \$30 million of net income on a non-GAAP basis for 2014 and made this the first profitable year in Sogou’s history.”

Fourth Quarter Financial Results

Revenues

Total revenues for the fourth quarter of 2014 were US\$477 million, up 24% year-over-year and 11% quarter-over-quarter.

Total online advertising revenues, which include revenues from the brand advertising and search and Web directory businesses for the fourth quarter of 2014 were US\$258 million, up 37% year-over-year and 4% quarter-over-quarter.

Brand advertising revenues for the fourth quarter of 2014 totaled US\$148 million, up 20% year-over-year and down 1% quarter-over-quarter. The year-over-year increase was mainly due to increases in revenues from the online video and real estate advertising businesses. Of this, revenues of Sohu Media Portal, or Sohu.com ex-video, were US\$49 million, down 5% year-over-year. Revenues of Sohu Video were US\$51 million, up 64% year-over-year.

Search and Web directory revenues for the fourth quarter of 2014 were US\$110 million, up 71% year-over-year and 12% quarter-over-quarter. The year-over-year and quarter-over-quarter increases were mainly driven by the search business as a result of increases in the number of paid clicks and higher average cost per click.

Online game revenues for the fourth quarter of 2014 were US\$184 million, up 7% year-over-year and 23% quarter-over-quarter. The year-over-year and quarter-over-quarter increases reflected the successful launch of a new mobile game, TLBB, in the fourth quarter.

Gross Margin

Both GAAP and non-GAAP gross margin was 59% for the fourth quarter of 2014, compared with 64% in the fourth quarter of 2013 and 58% in the third quarter of 2014.

GAAP gross margin for the online advertising business for the fourth quarter of 2014 was 52%, compared with 48% in the fourth quarter of 2013 and 48% in the third quarter of 2014. Non-GAAP gross margin for the online advertising business for the fourth quarter of 2014 was 53%, compared with 48% in the fourth quarter of 2013 and 48% in the third quarter of 2014.

Both GAAP and non-GAAP gross margin for the brand advertising business in the fourth quarter of 2014 was 48%, compared with 50% in the fourth quarter of 2013 and 44% in the third quarter of 2014. The year-over-year decrease in gross margin was primarily due to increases in content and bandwidth costs. The quarter-over-quarter increase in gross margin was primarily due to decreases in content costs.

Both GAAP and non-GAAP gross margin for the search and Web directory business in the fourth quarter of 2014 was 59%, compared with 42% in the fourth quarter of 2013 and 53% in the third quarter of 2014. The year-over-year and quarter-over-quarter increases in gross margin were primarily attributable to increased revenues and decreases in traffic acquisition costs as a percentage of search and Web directory revenues.

Both GAAP and non-GAAP gross margin for online games in the fourth quarter of 2014 was 72%, compared with 85% in the fourth quarter of 2013 and 77% in the third quarter of 2014. The year-over-year and quarter-over-quarter decreases in gross margin were mainly due to a change in the revenue mix as Changyou launched new mobile games and licensed PC games that typically incur additional revenue sharing costs.

Operating Expenses

For the fourth quarter of 2014, operating expenses totaled US\$315 million, up 25% year-over-year and 9% quarter-over-quarter. Non-GAAP operating expenses were US\$288 million, up 16% year-over-year and 5% quarter-over-quarter. Both GAAP and non-GAAP operating expenses included US\$52 million of goodwill impairment and impairment of intangibles via acquisitions of businesses, which were largely related to Changyou's Raidcall business. Excluding these impairment charges, non-GAAP operating expenses for the fourth quarter would have been US\$236 million, a decrease of 5% year-over-year and 14% quarter-over-quarter.

Operating Loss

Operating loss for the fourth quarter of 2014 was US\$34 million, compared with an operating loss of US\$4 million in the fourth quarter of 2013 and an operating loss of US\$41 million in the third quarter of 2014.

Non-GAAP operating loss for the fourth quarter of 2014 was US\$6 million, compared with an operating profit of US\$1 million in the fourth quarter of 2013 and an operating loss of US\$26 million in the third quarter of 2014.

Income Tax Expense

Both GAAP and non-GAAP income tax expense was US\$9 million for the fourth quarter of 2014, compared with income tax benefits of US\$5 million in the fourth quarter of 2013 and income tax benefits of US\$1 million in the third quarter of 2014.

Net Loss

Before deducting the share of net loss pertaining to non-controlling interest, GAAP net loss for the fourth quarter of 2014 was US\$33 million, compared with net income of US\$14 million in the fourth quarter of 2013 and a net loss of US\$32 million in the third quarter of 2014. Before deducting the share of net income pertaining to non-controlling interest, non-GAAP net loss for the fourth quarter of 2014 was US\$5 million, compared with net income of US\$19 million in the fourth quarter of 2013 and a net loss of US\$17 million in the third quarter of 2014.

GAAP net loss attributable to Sohu.com Inc. for the fourth quarter of 2014 was US\$20 million, or a US\$0.52 loss per fully-diluted share, compared with net income of US\$2 million in the fourth quarter of 2013 and a net loss of US\$28 million in the third quarter of 2014. Non-GAAP net loss attributable to Sohu.com Inc. for the fourth quarter of 2014 was US\$14 million, or a US\$0.36 loss per fully-diluted share, compared with net income of US\$5 million in the fourth quarter of 2013 and a net loss of US\$23 million in the third quarter of 2014.

Liquidity

As of December 31, 2014, the Sohu Group had net cash and cash equivalents and short-term investments of US\$1.1 billion, compared with US\$1.3 billion as of December 31, 2013.

Fiscal Year 2014 Financial Results

Revenues

Total revenues for 2014 were US\$1.7 billion, up 19% compared with 2013.

Total online advertising revenues, which include revenues from the brand advertising and search and Web directory businesses for 2014, were US\$899 million, up 43% compared with 2013.

Brand advertising revenues for 2014 were US\$541 million, up 26% compared with 2013. The year-over-year increase was mainly due to increases in revenues from the online video and real estate advertising businesses. Of this, revenues of Sohu Media Portal were US\$198 million, up 9% year-over-year. Revenues of Sohu Video were US\$176 million, up 61% year-over-year.

Search and Web directory revenues for 2014 were US\$358 million, up 80% compared with 2013. The year-over-year increase was mainly driven by the search business as a result of increases in the number of paid clicks and higher average cost per click.

Online game revenues for 2014 were US\$652 million, down 3% compared with 2013. The decrease reflected a decline in revenues from TLBB, following the strategic decision to simplify its gameplay, and from Wartune and DDTank, as both games have now entered a mature phase in China. The decreases were partially offset by the successful launch of a new mobile game, TLBB 3D, and a new MMO, Fantasy Frontier Online.

Gross Margin

Both GAAP and non-GAAP gross margin was 59% for 2014, compared with 66% in 2013.

Both GAAP and non-GAAP gross margin for the online advertising business for 2014 was 48%, compared with 47% in 2013.

Both GAAP and non-GAAP gross margin for the brand advertising business for 2014 was 43%, compared with 48% in 2013. The year-over-year decrease in gross margin was primarily attributable to increases in content and bandwidth costs.

Both GAAP and non-GAAP gross margin for the search and Web directory business for 2014 was 54%, compared with 45% in 2013. The year-over-year increase in gross margin was mainly due to growing revenues, combined with lower traffic acquisition costs as a percentage of search and Web directory revenues.

Both GAAP and non-GAAP gross margin for online games for 2014 was 78%, compared with 86% in 2013. The decrease in gross margin was due to a change in the revenue mix as Changyou launched new mobile games and licensed PC games that typically incur additional revenue sharing costs, as well as increased personnel costs associated with new games and mobile initiatives.

Operating Expenses

For 2014, GAAP operating expenses totaled US\$1.2 billion, up 62% compared with 2013. Non-GAAP operating expenses were US\$1.1 billion, up 54% compared with 2013. The increases were primarily due to an increase in salaries and compensation expense and higher marketing and promotion expenses.

Operating Loss

GAAP operating loss for 2014 was US\$205 million, compared with an operating profit of US\$183 million in 2013.

Non-GAAP operating loss for 2014 was US\$131 million, compared with an operating profit of US\$194 million in 2013.

Income Tax Expense

Both GAAP and non-GAAP income tax expense for 2014 was US\$6 million, compared with income tax expense of US\$50 million in 2013.

Net Loss

Before deducting the share of net loss pertaining to non-controlling interest and dividend or deemed dividend to non-controlling Sogou Series A Preferred shareholders, GAAP net loss for 2014 was US\$171 million, compared with net income of US\$167 million in 2013. Before deducting the share of net income pertaining to non-controlling interest, non-GAAP net loss for 2014 was US\$97 million, compared with net income of US\$177 million in 2013.

GAAP net loss attributable to Sohu.com Inc. for 2014 was US\$171 million, or a US\$4.43 loss per fully-diluted share, compared with a net loss of US\$18 million in 2013. Non-GAAP net loss attributable to Sohu.com Inc. for 2014 was US\$120 million, or a US\$3.11 loss per fully-diluted share, compared with net income of US\$71 million in 2013.

Ms. Carol Yu, President and CFO of Sohu.com Inc. commented, "We are pleased to see strong financial momentum across businesses at Sohu Group. Notably, in 2014, Sogou gained strong traction in mobile search and posted nearly 80% revenue growth. For Changyou, TLBB PC game remained healthy while TLBB 3D mobile game contributed meaningful new revenue streams. By year end, Changyou has returned to profitability with continuous margin improvement seen for 2015. All aforementioned developments enable us to make rational investments in online video and other promising initiatives."

Business Outlook

For the first quarter of 2015, Sohu estimates:

- Total revenues to be between US\$425 million and US\$440 million.
- Brand advertising revenues to be between US\$130 million and US\$135 million; this implies a sequential decrease of 9% to 12% and an annual increase of 17% to 22%. Sohu Media portal revenues to be between 34% and 35% of total brand advertising revenues. Sohu Video revenues to be between 37% and 38% of total brand advertising revenues.
- Sogou revenues to be between US\$108 million and US\$113 million; this implies a sequential decrease of 5% to 9% and an annual growth of 54% to 61%.
- Online game revenues to be between US\$175 million and US\$180 million; this implies a sequential decrease of 2% to 5% and an annual increase of 7% to 10%.
- Before deducting the share of non-GAAP net income pertaining to non-controlling interest, non-GAAP net loss to be between US\$20 million and US\$25 million.
- Non-GAAP net loss attributable to Sohu.com Inc. to be between US\$36 million and US\$40 million, and non-GAAP loss per fully-diluted share to be between US\$0.95 and US\$1.05.
- Assuming no new grants of share-based awards, we estimate that compensation expense relating to share-based awards will be around US\$13 million to US\$14 million.
- GAAP net loss attributable to Sohu.com Inc. to be between US\$44 million and US\$48 million, and GAAP loss per fully-diluted share to be between US\$1.15 and US\$1.25.

Non-GAAP Disclosure

Revision of Non-GAAP Reporting

Prior to the fourth quarter of 2014, the Company's determined its non-GAAP results excluding share-based compensation expense, goodwill impairment, impairment of intangibles via acquisitions of businesses and related tax impact, non-cash tax benefits from excess tax deductions related to share-based awards, income/expense from the adjustment of contingent consideration previously recorded for acquisitions and dividend and deemed dividend to non-controlling preferred shareholders of Sogou.

In the fourth quarter of 2014, we reassessed our definition of non-GAAP to better reflect the economic substance and performance of the Group. With the consideration that goodwill impairment and impairment of intangibles via acquisitions of businesses can be an indicator of the economic substance of the acquired businesses, we revised the definition of non-GAAP that we use, and excluded only compensation expense of share-based awards, non-cash tax benefits from excess tax deductions related to share-based awards, income/expense from adjustments of contingent consideration previously recorded for acquisitions, and deemed dividend to non-controlling preferred shareholders of Sogou. Our results for the fourth quarter of 2014 are presented using this revised definition of non-GAAP, and we plan to use the revised definition when we report our results for future periods.

Non-GAAP Disclosure

To supplement the unaudited consolidated financial statements presented in accordance with accounting principles generally accepted in the United States of America ("GAAP"), Sohu's management uses non-GAAP measures of gross profit, operating profit, net income, net income attributable to Sohu.com Inc. and diluted net income attributable to Sohu.com Inc. per share, which are adjusted from results based on GAAP to exclude the impact of the share-based awards, which consist mainly of share-based compensation expenses and non-cash tax benefits from excess tax deductions related to share-based awards, income/expense from the adjustment of contingent consideration previously recorded for acquisitions, and dividend and deemed dividend to non-controlling preferred shareholders. These measures should be considered in addition to results prepared in accordance with GAAP, but should not be considered a substitute for, or superior to, GAAP results.

Sohu's management believes excluding the share-based compensation expense, non-cash tax benefits from excess tax deductions related to share-based awards, income/expense from the adjustment of contingent consideration previously recorded for acquisitions and dividend and deemed dividend to non-controlling preferred shareholders from its non-GAAP financial measure is useful for itself and investors. Further, the impact of share-based compensation expense, non-cash tax benefits from excess tax deductions related to share-based awards, income/expense from the adjustment of contingent consideration previously recorded for acquisitions, and dividend and deemed dividend to non-controlling preferred shareholders cannot be anticipated by management and business line leaders and these expenses were not built into the annual budgets and quarterly forecasts, which have been the basis for information Sohu provides to analysts and investors as guidance for future operating performance. As the impact of share-based compensation expense, non-cash tax benefits from excess tax deductions related to share-based awards, income/expense from the adjustment of contingent consideration previously recorded for acquisitions, and dividend and deemed dividend to non-controlling preferred shareholders does not involve subsequent cash outflow or is reflected in the cash flows at the equity transaction level, Sohu does not factor this impact in when evaluating and approving expenditures or when determining the allocation of its resources to its business segments. As a result, in general, the monthly financial results for internal reporting and any performance measures for commissions and bonuses are based on non-GAAP financial measures that exclude the share-based compensation expense, non-cash tax benefits from excess tax deductions related to share-based awards, income/expense from the adjustment of contingent consideration previously recorded for acquisitions, and dividend and deemed dividend to non-controlling preferred shareholders.

The non-GAAP financial measures are provided to enhance investors' overall understanding of Sohu's current financial performance and prospects for the future. A limitation of using non-GAAP gross profit, operating profit, net income, net income attributable to Sohu.com Inc. and diluted net income attributable to Sohu.com Inc. per share, excluding share-based compensation expense, non-cash tax benefits from excess tax deductions related to share-based awards, income/expense from the adjustment of contingent consideration previously recorded for acquisitions, and dividend and deemed dividend to non-controlling preferred shareholders is that the impact of share-based awards and non-cash tax benefits from excess tax deductions related to share-based awards has been and will continue to be a significant recurring expense in Sohu's business for the foreseeable future, income/expense from the adjustment of contingent consideration previously recorded for acquisitions may recur in the future, and dividend and deemed dividend to non-controlling preferred shareholders may recur when Sohu and its affiliates enter into equity transactions. In order to mitigate these limitations Sohu has provided specific information regarding the GAAP amounts excluded from each non-GAAP measure. The accompanying tables include details on the reconciliation between the GAAP financial measures that are most directly comparable to the non-GAAP financial measures that have been presented.

Notes to Financial Information

Financial information in this press release other than the information indicated as being non-GAAP is derived from Sohu's unaudited interim financial statements prepared in accordance with GAAP.

Safe Harbor Statement

This announcement contains forward-looking statements. It is currently expected that the Business Outlook will not be updated until release of Sohu's next quarterly earnings announcement; however, Sohu reserves right to update its Business Outlook at any time for any reason. Statements that are not historical facts, including statements about Sohu's beliefs and expectations, are forward-looking statements. These statements are based on current plans, estimates and projections, and therefore you should not place undue reliance on them. Forward-looking statements involve inherent risks and uncertainties. We caution you that a number of important factors could cause actual results to differ materially from those contained in any forward-looking statement. Potential risks and uncertainties include, but are not limited to, instability in global financial and credit markets and its potential impact on the Chinese economy, recent slow-downs in the growth of the Chinese economy, the uncertain regulatory landscape in the People's Republic of China, fluctuations in Sohu's quarterly operating results, Sohu's current and projected future losses due to increased spending by Sohu for video content and by Changyou for marketing for its platform channel business, the possibilities that Sohu will be unable to recoup its investment in video content and that Changyou will be unable to develop successful games for mobile platforms or successfully monetize mobile games it develops or acquires, the possibility that Changyou's efforts in building and monetizing its platform channel business will not be successful and Sohu's reliance on online advertising sales, online games and mobile services for its revenues. Further information regarding these and other risks is included in Sohu's annual report on Form 10-K for the year ended December 31, 2013, and other filings with the Securities and Exchange Commission.

Conference Call and Webcast

Sohu's management team will host a conference call on the same day at 8:30 a.m. U.S. Eastern Time, February 9, 2015 (9:30 p.m. Beijing/Hong Kong time, February 9, 2015) following the quarterly and fiscal year results announcement.

The dial-in details for the live conference call are:

US Toll-Free: +1-866-519-4004
International: +65-6723-9381
Hong Kong: +852-3018-6771
China Mainland: +86-800-819-0121 / +86-400-620-8038
Passcode: SOHU

Please dial in 10 minutes before the call is scheduled to begin and provide the passcode to join the call.

A telephone replay of the call will be available after the conclusion of the conference call at 11:30 a.m. Eastern Time on February 9 through February 17, 2015. The dial-in details for the telephone replay are:

International: +1-855-452-5696
Passcode: 71732156

The live Webcast and archive of the conference call will be available on the Investor Relations section of Sohu's Website at <http://investors.sohu.com/>.

About Sohu.com

Sohu.com Inc. (NASDAQ: SOHU) is China's premier online brand and indispensable to the daily life of millions of Chinese, providing a network of Web properties and community based/Web 2.0 products which offer the vast Sohu user community a broad array of choices regarding information, entertainment and communication. Sohu has built one of the most comprehensive matrices of Chinese language Web properties and proprietary search engines, consisting of the mass portal and leading online media destination www.sohu.com; the interactive search engine www.sogou.com; the developer and operator of online games www.changyou.com/en/ and the leading online video Website tv.sohu.com.

Sohu corporate services consist of online brand advertising on its matrix of Websites as well as bid listing and home page on its in-house developed search directory and engine. Sohu also provides multiple news and information services on mobile platforms, including Sohu News App and the mobile news portal WAP.Sohu.com. Sohu's online game subsidiary, Changyou.com Limited (NASDAQ: CYOU) has a diverse portfolio of online games that includes massively multi-player online ("MMO") games, such as Tian Long Ba Bu, one of the most popular MMO games in China, as well as a number of Web games and mobile games. Changyou also owns and operates the 17173.com Website, a leading game information portal in China that is visited by tens of millions of visitors every month. Sohu.com, established by Dr. Charles Zhang, one of China's internet pioneers, is in its nineteenth year of operation.

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SOHU.COM INC.
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS
(UNAUDITED, IN THOUSANDS EXCEPT PER SHARE AMOUNTS)

	Three Months Ended			Twelve Months Ended	
	Dec. 31, 2014	Sep. 30, 2014	Dec. 31, 2013	Dec. 31, 2014	Dec. 31, 2013
Revenues:					
Online advertising					
Brand advertising	\$ 147,824	\$ 148,823	\$ 123,318	\$ 541,158	\$ 428,526
Search and Web directory	110,029	98,437	64,387	357,839	198,915
Subtotal	<u>257,853</u>	<u>247,260</u>	<u>187,705</u>	<u>898,997</u>	<u>627,441</u>
Online games	184,405	150,338	171,958	652,008	669,168
Others (a)	34,938	32,817	25,788	122,072	103,665
Total revenues	<u>477,196</u>	<u>430,415</u>	<u>385,451</u>	<u>1,673,077</u>	<u>1,400,274</u>
Cost of revenues:					
Online advertising					
Brand advertising (includes stock-based compensation expense of \$167, \$218, \$235, \$823 and \$455, respectively)	77,246	83,424	61,445	307,708	221,659
Search and Web directory (includes stock-based compensation expense of \$386, \$193, \$20, \$1,092 and \$49, respectively)	45,386	46,375	37,064	163,918	109,139
Subtotal	<u>122,632</u>	<u>129,799</u>	<u>98,509</u>	<u>471,626</u>	<u>330,798</u>
Online games (includes stock-based compensation expense of \$-37, \$58, \$24, \$55 and \$71, respectively)	51,754	33,949	25,926	142,552	93,307
Others (includes stock-based compensation expense of \$2, \$0, \$0, \$2 and \$0, respectively) (a)	21,204	17,912	12,951	71,456	55,945
Total cost of revenues	<u>195,590</u>	<u>181,660</u>	<u>137,386</u>	<u>685,634</u>	<u>480,050</u>
Gross profit	281,606	248,755	248,065	987,443	920,224
Operating expenses:					
Product development (includes stock-based compensation expense of \$8,983, \$6,052, \$2,967, \$24,982 and \$4,637, respectively)	81,374	107,971	90,389	409,285	276,120
Sales and marketing (includes stock-based compensation expense of \$1,894, \$937, \$339, \$5,645 and \$1,071, respectively)	115,812	131,742	130,524	526,514	351,653
General and administrative (includes stock-based compensation expense of \$16,442, \$7,342, \$1,321, \$41,843 and \$4,146, respectively)	65,995	49,730	31,244	204,325	108,970
Goodwill impairment and impairment of intangibles via acquisitions of businesses	52,282	—	—	52,282	—
Total operating expenses	<u>315,463</u>	<u>289,443</u>	<u>252,157</u>	<u>1,192,406</u>	<u>736,743</u>
Operating profit /(loss)	(33,857)	(40,688)	(4,092)	(204,963)	183,481
Other income	4,619	896	7,125	9,959	12,721
Interest income	6,273	7,468	8,035	30,977	27,829
Exchange difference	(1,169)	(610)	(1,386)	(1,142)	(6,660)
Income /(loss) before income tax expense/(benefit)	(24,134)	(32,934)	9,682	(165,169)	217,371
Income tax expense/ (benefit)	8,612	(1,036)	(4,770)	6,050	50,422
Net Income /(loss)	<u>(32,746)</u>	<u>(31,898)</u>	<u>14,452</u>	<u>(171,219)</u>	<u>166,949</u>
Less: Net income attributable to the mezzanine classified noncontrolling interest shareholders	—	—	—	—	17,780
Net income / (loss) attributable to the noncontrolling interest shareholders	(13,171)	(4,760)	11,618	(32,309)	82,044
Dividend or deemed dividend to non-controlling Sogou series A preferred shareholders	—	—	—	27,747	82,423
Net income/ (loss) attributable to Sohu.com Inc.	<u>(19,575)</u>	<u>(27,138)</u>	<u>2,834</u>	<u>(166,657)</u>	<u>(15,298)</u>
Basic net income/ (loss) per share attributable to Sohu.com Inc.	<u>\$ (0.51)</u>	<u>\$ (0.71)</u>	<u>\$ 0.07</u>	<u>\$ (4.33)</u>	<u>\$ (0.40)</u>
Shares used in computing basic net income/ (loss) per share attributable to Sohu.com Inc.	<u>38,501</u>	<u>38,485</u>	<u>38,301</u>	<u>38,468</u>	<u>38,255</u>
Diluted net income /(loss) per share attributable to Sohu.com Inc.	<u>\$ (0.52)</u>	<u>\$ (0.74)</u>	<u>\$ 0.06</u>	<u>\$ (4.43)</u>	<u>\$ (0.47)</u>
Shares used in computing diluted net income/ (loss) per share attributable to Sohu.com Inc.	<u>38,501</u>	<u>38,485</u>	<u>38,564</u>	<u>38,468</u>	<u>38,502</u>

Note:

(a) Comparative revenues and cost of revenues for mobile has been merged with others to conform to the current period presentation.

SOHU.COM INC.
CONDENSED CONSOLIDATED BALANCE SHEETS
(UNAUDITED, IN THOUSANDS)

	<u>As of Dec. 31, 2014</u>	<u>As of Dec. 31, 2013</u>
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 876,340	\$ 1,287,288
Restricted time deposits	282,186	393,087
Short-term investments	191,577	2,827
Investment in debt securities	—	82,009
Accounts receivable, net	230,401	154,342
Prepaid and other current assets	116,704	132,002
Total current assets	<u>1,697,208</u>	<u>2,051,555</u>
Long-term investments	24,067	3,726
Fixed assets, net	540,778	564,442
Goodwill	303,426	208,795
Intangible assets, net	110,691	107,108
Restricted time deposits	144,562	40,961
Prepaid non-current assets	8,933	9,527
Other assets	37,344	12,601
Total assets	<u>\$ 2,867,009</u>	<u>\$ 2,998,715</u>
LIABILITIES		
Current liabilities:		
Accounts payable	\$ 127,758	\$ 125,896
Accrued liabilities	239,231	227,018
Receipts in advance and deferred revenue	127,740	113,328
Accrued salary and benefits	108,741	90,901
Taxes payable	33,380	48,324
Deferred tax liability	22,356	18,813
Short-term bank loans	25,500	410,331
Other short-term liabilities	105,644	79,798
Contingent consideration	3,935	—
Total current liabilities	<u>\$ 794,285</u>	<u>\$ 1,114,409</u>
Long-term accounts payable	5,143	6,252
Long-term bank loans	344,500	—
Long-term tax payable	24,829	24,835
Deferred tax liabilities	7,417	12,337
Contingent consideration	1,929	4,162
Total long-term liabilities	<u>\$ 383,818</u>	<u>\$ 47,586</u>
Total liabilities	<u>\$ 1,178,103</u>	<u>\$ 1,161,995</u>
SHAREHOLDERS' EQUITY:		
Sohu.com Inc. shareholders' equity	1,201,661	1,326,705
Noncontrolling Interest	487,245	510,015
Total shareholders' equity	<u>\$ 1,688,906</u>	<u>\$ 1,836,720</u>
Total liabilities and shareholders' equity	<u>\$ 2,867,009</u>	<u>\$ 2,998,715</u>

SOHU.COM INC.

RECONCILIATIONS OF NON-GAAP RESULTS OF OPERATION MEASURES TO THE NEAREST COMPARABLE GAAP MEASURES
(UNAUDITED, IN THOUSANDS EXCEPT PER SHARE AMOUNTS)

	Three Months Ended Dec. 31, 2014			Three Months Ended Sep. 30, 2014			Three Months Ended Dec. 31, 2013		
	GAAP	Non-GAAP Adjustments	Non-GAAP	GAAP	Non-GAAP Adjustments	Non-GAAP	GAAP	Non-GAAP Adjustments	Non-GAAP
		167 (a)			218 (a)			235 (a)	
Brand advertising gross profit	\$ 70,578	\$ 167	\$ 70,745	\$ 65,399	\$ 218	\$ 65,617	\$ 61,873	\$ 235	\$ 62,108
Brand advertising gross margin	48%		48%	44%		44%	50%		50%
		386 (a)			193 (a)			20 (a)	
Search and Web directory gross profit	\$ 64,643	\$ 386	\$ 65,029	\$ 52,062	\$ 193	\$ 52,255	\$ 27,323	\$ 20	\$ 27,343
Search and Web directory gross margin	59%		59%	53%		53%	42%		42%
		553 (a)			411 (a)			255 (a)	
Online advertising gross profit	\$ 135,221	\$ 553	\$ 135,774	\$ 117,461	\$ 411	\$ 117,872	\$ 89,196	\$ 255	\$ 89,451
Online advertising gross margin	52%		53%	48%		48%	48%		48%
		(37) (a)			58 (a)			24 (a)	
Online games gross profit	\$ 132,651	\$ (37)	\$ 132,614	\$ 116,389	\$ 58	\$ 116,447	\$ 146,032	\$ 24	\$ 146,056
Online games gross margin	72%		72%	77%		77%	85%		85%
Others gross profit	\$ 13,734	\$ 2	\$ 13,736	\$ 14,905	\$ —	\$ 14,905	\$ 12,837	\$ —	\$ 12,837
Others gross margin	39%	2	39%	45%		45%	50%		50%
		518 (a)			469 (a)			279 (a)	
Gross profit	\$ 281,606	\$ 518	\$ 282,124	\$ 248,755	\$ 469	\$ 249,224	\$ 248,065	\$ 279	\$ 248,344
Gross margin	59%		59%	58%		58%	64%		64%
		27,837 (a)			14,800 (a)			4,906 (a)	
Operating profit/(loss)	\$ (33,857)	\$ 27,837	\$ (6,020)	\$ (40,688)	\$ 14,800	\$ (25,888)	\$ (4,092)	\$ 4,906	\$ 814
Operating margin	-7%		-1%	-9%		-6%	-1%		0%
		27,837 (a)			14,800 (a)			4,906 (a)	
Net income/(loss) before Non-Controlling Interest	\$ (32,746)	\$ 27,837	\$ (4,909)	\$ (31,898)	\$ 14,800	\$ (17,098)	\$ 14,452	\$ 4,906	\$ 19,358
		6,080 (a)(b)			4,953 (a)(b)			2,299 (a)(b)	
Net income/(loss) attributable to Sohu.com Inc. for diluted net income/(loss) per share	\$ (20,082)	6,080	(14,002)	\$ (28,402)	4,953	(23,449)	\$ 2,268	\$ 2,299	\$ 4,567
Diluted net income/(loss) per share attributable to Sohu.com Inc.	\$ (0.52)		(0.36)	\$ (0.74)		(0.61)	\$ 0.06		\$ 0.12
Shares used in computing diluted net income/(loss) per share attributable to Sohu.com Inc.	38,501		38,501	38,485		38,485	38,564		38,687

Note:

- (a) To eliminate the impact of share-based awards as measured using the fair value method.
(b) To adjust Sohu's economic interests in Changyou and Sogou under the treasury stock method.

RECONCILIATIONS OF NON-GAAP RESULTS OF OPERATION MEASURES TO THE NEAREST COMPARABLE GAAP MEASURES

(UNAUDITED, IN THOUSANDS EXCEPT PER SHARE AMOUNTS)

	Twelve Months Ended Dec. 31, 2014			Twelve Months Ended Dec. 31, 2013		
	GAAP	Non-GAAP Adjustments	Non-GAAP	GAAP	Non-GAAP Adjustments	Non-GAAP
		823 (a)			455 (a)	
Brand advertising gross profit	\$ 233,450	\$ 823	\$ 234,273	\$ 206,867	\$ 455	\$ 207,322
Brand advertising gross margin	43%		43%	48%		48%
		1,092 (a)			49 (a)	
Search and Web directory gross profit	\$ 193,921	\$ 1,092	\$ 195,013	\$ 89,776	\$ 49	\$ 89,825
Search and Web directory gross margin	54%		54%	45%		45%
		1,915 (a)			504 (a)	
Online advertising gross profit	\$ 427,371	\$ 1,915	\$ 429,286	\$ 296,643	\$ 504	\$ 297,147
Online advertising gross margin	48%		48%	47%		47%
		55 (a)			71 (a)	
Online games gross profit (d)	\$ 509,456	\$ 55	\$ 509,511	\$ 575,861	\$ 71	\$ 575,932
Online games gross margin	78%		78%	86%		86%
		2 (a)				
Others gross profit (d)	\$ 50,616	\$ 2	\$ 50,618	\$ 47,720	\$ — (a)	\$ 47,720
Others gross margin	41%		41%	46%		46%
		1,972 (a)			575 (a)	
Gross profit/(loss)	\$ 987,443	\$ 1,972	\$ 989,415	\$ 920,224	\$ 575	\$ 920,799
Gross margin	59%		59%	66%		66%
		74,442 (a)			10,429 (a)	
Operating profit	\$(204,963)	\$ 74,442	\$(130,521)	\$ 183,481	\$ 10,429	\$ 193,910
Operating margin	-12%		-8%	13%		14%
		74,442 (a)			10,429 (a)	
Net income before non-controlling interest	\$(171,219)	\$ 74,442	\$ (96,777)	\$ 166,949	\$ 10,429	\$ 177,378
		23,160 (a)(b)			6,678 (a)(b)	
		27,747 (c)			82,423 (c)	
Net income/ (loss) attributable to Sohu.com Inc for diluted net income /(loss) per share	\$(170,576)	\$ 50,907	\$ (119,669)	\$ (18,262)	\$ 89,102	\$ 70,840
Diluted net income/ (loss) per share attributable to Sohu.com Inc.	\$ (4.43)		\$ (3.11)	\$ (0.47)		\$ 1.84
Shares used in computing diluted net income /(loss) per share attributable to Sohu.com Inc.	38,468		38,468	38,502		38,570

Note:

- (a) To eliminate the impact of share-based awards as measured using the fair value method.
(b) To adjust Sohu's economic interests in Changyou and Sogou under the treasury stock method.
(c) Dividend or deemed dividend to non-controlling Sogou series A preferred shareholders.
(d) The classification of certain comparative figures of revenues and cost of revenues for online games and others has been changed to conform to the current period presentation.