

SinoCast Internet/Online Services Business Beat

Alibaba.com to Gain USD17.5mn from Cisco

HANGZHOU, November 1, SinoCast -- Alibaba.com Limited (SEHK: 1688), the business-to-business arm of Alibaba Group, will gain an investment of USD 17.5 million from Cisco Systems Inc., a global top provider of networking equipment and network management, as part of its IPO in Hong Kong.

John Chambers, CEO of Cisco, announces the decision at a press conference held on

November 1, 2007. Thus, Cisco is to become one of Alibaba.com's chief IPO investors.

During his sixth visit to China, Chambers announces Cisco's alliance with Alibaba Group in searching for better and low-price information management solutions for China's small and medium enterprises (SMEs).

They will coordinately provide network

collaboration service for SMEs, promote the innovation application of WebEx as well as the network business developed by its technological partners, jointly tap overseas market, and improve the development of SAAS (software as a service) in China.

Chambers also releases Cisco's USD 16 billion investment plan in China in future three to five years.

Sohu Profits up 47% in Third Quarter

BEIJING, October 30, SinoCast -- Sohu.com Inc. (NASDAQ: SOHU), China's leading online media, communications, search, online gaming and mobile value-added services company, on October 30 released its financial report for the third quarter ended September 30, 2007.

Its total revenues for third quarter were USD 51.5 million, compared to revenues of USD 39.0 million for the second quarter of 2007, and USD 35.4 million for the comparable period one year ago.

Gross margin of 67% during the period increased from 61% in the previous quarter and 64% in the same period of 2006.

Net income for third quarter of 2007 was USD 9.7 million or USD 0.25 per fully diluted share. Non-GAAP net income for third quarter of 2007 was USD 11.7 million or USD 0.30 per fully diluted share.

Advertising revenues for third quarter of 2007 totaled USD 31.5 million, an 11% quarter-on-quarter increase and a 32%

year-on-year increase. Advertising revenues, consisting of USD 29.8 million in brand advertising and USD 1.7 million in sponsored search, accounted for 61% of total revenues in the third quarter of 2007.

Brand advertising revenues for third quarter of 2007 increased 12% quarter-on-quarter and 42% year-on-year. Sponsored search revenues for third quarter of 2007 were flat quarter-on-quarter and decreased 39% year-on-year.

Advertising gross margin for third quarter of 2007 was 63%, up from 62% for the previous quarter and down from 69% in the third quarter of 2006.

Non-GAAP advertising gross margin for third quarter of 2007 was 64%, flat with the previous quarter and down from 71% in the third quarter of 2006. The year-on-year decrease was mainly due to increased content costs, bandwidth and server depreciation expenses.

For the third quarter of 2007, Sohu's

non-advertising revenues, which are derived mainly from online games and wireless value-added services, were USD 20.0 million, representing 39% of total revenues. Online games revenues for third quarter of 2007 increased 232% quarter-on-quarter and 473% year-on-year.

Wireless revenue increased 4% quarter-on-quarter and decreased 23% year-on-year. Non-advertising gross margin was 72%, compared to 56% in the previous quarter and 54% in third quarter of 2006. Non-GAAP non-advertising gross margin was 72%, compared to 56% in the previous quarter and 54% in third quarter of 2006.

For third quarter of 2007, Sohu's operating expenses totaled USD 25.6 million. Non-GAAP operating expenses totaled USD 23.9 million, an increase of 43% from the previous quarter and up 58% year-on-year.

In third quarter 2007, Sohu disposed its equity interest in an associated company, resulted in a gain of USD 0.6 million.