

BUSINESS OBJECTS S.A.
CONDENSED CONSOLIDATED STATEMENTS OF INCOME
(In thousands of US dollars, except per share data)

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2004	2003	2004	2003
Revenues:	(unaudited)		(unaudited)	
Net license fees	\$ 105,705	\$ 58,044	\$ 337,380	\$ 176,982
Services	113,765	71,068	321,563	199,641
Total revenues	<u>219,470</u>	<u>129,112</u>	<u>658,943</u>	<u>376,623</u>
Cost of revenues:				
Net license fees	7,117	1,088	20,770	2,845
Services	42,470	21,602	125,544	62,297
Total cost of revenues	<u>49,587</u>	<u>22,690</u>	<u>146,314</u>	<u>65,142</u>
Gross profit	169,883	106,422	512,629	311,481
Operating expenses:				
Sales and marketing	96,543	59,954	292,995	174,684
Research and development	35,339	22,852	111,583	68,971
General and administrative	21,366	10,198	62,312	28,958
Restructuring costs	-	-	1,492	-
Total operating expenses	<u>153,248</u>	<u>93,004</u>	<u>468,382</u>	<u>272,613</u>
Income from operations	16,635	13,418	44,247	38,868
Interest and other income (expense), net	1,137	4,058	(2,670)	11,414
Income before provision for income taxes	17,772	17,476	41,577	50,282
Provision for income taxes	(6,743)	(6,649)	(15,800)	(19,115)
Net income	<u>\$ 11,029</u>	<u>\$ 10,827</u>	<u>\$ 25,777</u>	<u>\$ 31,167</u>
Basic net income per ordinary share and ADS	<u>\$ 0.12</u>	<u>\$ 0.17</u>	<u>\$ 0.29</u>	<u>\$ 0.49</u>
Diluted net income per ordinary share and ADS	<u>\$ 0.12</u>	<u>\$ 0.17</u>	<u>\$ 0.28</u>	<u>\$ 0.48</u>
Ordinary shares and ADSs used in computing basic net income per ordinary share and ADS	<u>88,495</u>	<u>63,370</u>	<u>88,745</u>	<u>62,969</u>
Ordinary shares and ADSs and equivalents used in computing diluted net income per ordinary share and ADS	<u>89,792</u>	<u>65,073</u>	<u>91,210</u>	<u>64,376</u>