

BUSINESS OBJECTS S.A.
CONSOLIDATED STATEMENTS OF CASH FLOWS
(In thousands of US dollars)

	Year ended December 31,	
	2004	2003
	(unaudited)	
Operating activities:		
Net income	\$ 47,123	\$ 22,562
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization of property and equipment	32,493	18,269
Amortization of other intangible assets	30,780	4,344
Stock-based compensation expense	6,687	1,638
Acquired in-process technology	-	27,966
Deferred income taxes	14,708	(1,664)
Tax benefit from employee stock plans	8,812	17,974
Changes in operating assets and liabilities:		
Accounts receivable, net	(51,809)	(36,973)
Prepaid and other current assets	(15,042)	(4,468)
Deposits and other assets	(30,777)	(13,371)
Accounts payable	(8,660)	8,118
Accrued payroll and related expenses	(7,090)	13,383
Income taxes payable	(9,948)	14,539
Deferred revenues	58,186	35,657
Restructuring liability and other current liabilities	13,486	(10,825)
	<u>88,949</u>	<u>97,149</u>
Investing activities:		
Purchases of property and equipment	(30,273)	(12,453)
Change in estimate in restructuring accrual for Acta acquisition	-	2,741
Business acquisitions and other investments	(279)	(178,327)
Sales (purchases) of short-term investments	(499)	55,012
	<u>(31,051)</u>	<u>(133,027)</u>
Financing activities:		
Issuance of shares	40,586	29,677
Purchase of treasury shares	(40,231)	-
Transfer of cash from restricted cash accounts	5,200	1,150
Payments on notes and escrows payable	(3,074)	(1,717)
	<u>2,481</u>	<u>29,110</u>
Effect of foreign exchange rate changes on cash and cash equivalents	(2,274)	8,207
Net increase in cash and cash equivalents	58,105	1,439
Cash and cash equivalents, beginning of year	235,380	233,941
Cash and cash equivalents, end of year	<u>\$ 293,485</u>	<u>\$ 235,380</u>