

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

	Three Months ended December 31,		Year ended December 31,	
	2004	2003	2004	2003
Revenues:	(unaudited)		(unaudited)	
Net license fees	\$ 135,993	\$ 98,279	\$ 473,373	\$ 275,261
Services	130,695	85,923	452,258	285,564
Total revenues	<u>266,688</u>	<u>184,202</u>	<u>925,631</u>	<u>560,825</u>
Cost of revenues:				
Net license fees	7,502	3,106	28,272	5,951
Services	46,589	26,708	172,133	89,005
Total cost of revenues	<u>54,091</u>	<u>29,814</u>	<u>200,405</u>	<u>94,956</u>
Gross profit	<u>212,597</u>	<u>154,388</u>	<u>725,226</u>	<u>465,869</u>
Operating expenses:				
Sales and marketing	113,801	76,186	406,796	250,870
Research and development	38,979	26,428	150,562	95,399
General and administrative	21,635	15,697	83,947	44,655
Acquired in-process technology	-	27,966	-	27,966
Restructuring costs	677	7,782	2,169	7,782
Total operating expenses	<u>175,092</u>	<u>154,059</u>	<u>643,474</u>	<u>426,672</u>
Income from operations	37,505	329	81,752	39,197
Interest and other income (expense), net	(1,550)	2,920	(4,220)	14,334
Income before provision for income taxes	35,955	3,249	77,532	53,531
Provision for income taxes	(14,609)	(11,854)	(30,409)	(30,969)
Net income (loss)	<u>\$ 21,346</u>	<u>\$ (8,605)</u>	<u>\$ 47,123</u>	<u>\$ 22,562</u>
Basic net income (loss) per ordinary share and ADS	<u>\$ 0.24</u>	<u>\$ (0.12)</u>	<u>\$ 0.53</u>	<u>\$ 0.35</u>
Diluted net income (loss) per ordinary share and ADS	<u>\$ 0.24</u>	<u>\$ (0.12)</u>	<u>\$ 0.52</u>	<u>\$ 0.34</u>
Ordinary shares and ADSs used in computing basic net income (loss) per ordinary share and ADS	<u>88,769</u>	<u>69,377</u>	<u>88,748</u>	<u>64,584</u>
Ordinary shares and ADSs and equivalents used in computing diluted net income (loss) per ordinary share and ADS	<u>90,390</u>	<u>69,377</u>	<u>91,077</u>	<u>66,168</u>