

Fourth Quarter and Full Year 2004

Earnings Conference Call
February 7, 2005



Safe Harbor: Forward Looking Statements

During the course of today's call, our executives will make projections and other forward-looking statements, including statements regarding the business outlook, future financial and operating results, in particular with regard to the first quarter and full year 2005, and strategic and operational plans. We wish to caution you that such statements are just predictions based on management's current expectations or beliefs, and that actual events or results may differ materially. We refer you to documents the company files with the Securities and Exchange Commission, including Form 10-Q for the quarter ended September 30, 2004 and Form 10-K for the year ended December 31, 2003. These documents identify important risk factors that could cause actual results to differ materially from those contained in our forward-looking statements. We caution you that the company assumes no duty to confirm, update or revise the financial forecast for the quarter or year, or any other forward-looking information contained in this call, as a result of new developments or otherwise.

Our discussion today will also include Non-GAAP financial measures described as pro forma or normalized information. A reconciliation of US GAAP to pro forma and normalized operating results, and consistent currency rates, are available in our press release and on our investor relations web page at www.businessobjects.com.

Use of Non-GAAP Financial Measures

This presentation includes financial measures for pro forma and normalized revenues, expenses, net income and earnings per share that exclude certain non-cash charges and that have not been calculated in accordance with US GAAP. These measures differ from US GAAP in that they exclude the amortization of intangible assets and of deferred stock-based compensation, and planned restructuring charges associated with the Crystal Decisions acquisition, and the elimination of maintenance revenue due to the impact of purchase accounting entries on deferred revenue. Business Objects has provided these measurements in addition to US GAAP financial results because it believes they provide a consistent basis for comparison between quarters that is not influenced by certain non-cash expenses related to the acquisition of Crystal Decisions and therefore is helpful to understanding Business Objects' underlying operational results. Further, these non-GAAP measures are some of the primary measures Business Objects' management uses for planning and forecasting. These measures are not in accordance with, or an alternative to US GAAP, and these non-GAAP measures may not be comparable to information provided by other companies.

Financial Results

Jim Tolonen, CFO

Fourth Quarter 2004 Results

Total Revenue	\$266.7M
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License Revenue	\$136.0M
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US GAAP Diluted EPS	\$0.24
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Pro forma Diluted EPS	\$0.30
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- ▶ **Q4 license revenues grew 29% versus Q3; and up 38% year-over-year on a US GAAP basis.**
- ▶ **Revenues exceeded Company guidance of \$230M - \$240M.**
- ▶ **US GAAP and pro forma EPS exceeded EPS guidance of \$0.14 - \$0.20 and \$0.21 - \$0.27, respectively.**

Product Line Review

Q4 2004

Software license revenues totaled \$136.0 M
up 29% over prior quarter and up pro forma 7% year over year

Query, Reporting and Analysis: \$121.6 M
89% of license revenues

Enterprise Performance Management: \$9.6 M
7% of license revenues and a record quarter

Data Integration: \$4.8 M
4% of license revenues

Q4 Summary Income Statement

Q4 2004

	US GAAP		Pro Forma	
Revenues	\$266.7M	100%	\$266.7M	100%
Cost of Revenues	\$54.1M	20%	\$46.5M	17%
Gross Margin	\$212.6M	80%	\$220.2M	83%
Operating Expenses	\$175.1M	66%	\$173.0M	65%
Operating Income	\$37.5M	14%	\$47.2M	18%
Interest and Other Income	\$(1.6M)	-1%	\$(1.6M)	-1%
Income Before Taxes	\$35.9M	13%	\$45.6M	17%
Net Income	\$21.3M	8%	\$27.3M	10%
EPS - Diluted	\$ 0.24		\$0.30	

Full Year Summary Income Statement

YTD 2004

	US GAAP		Pro Forma	
Revenues	\$925.6M	100%	\$925.6M	100%
Cost of Revenues	\$200.4M	22%	\$169.8M	18%
Gross Margin	\$725.2M	78%	\$755.8M	82%
Operating Expenses	\$643.5M	69%	\$634.5M	69%
Operating Income	\$81.7M	9%	\$121.3M	13%
Interest and Other Income	\$(4.2M)	-1%	\$(4.2M)	- %
Income Before Taxes	\$77.5M	8%	\$117.1M	13%
Net Income	\$47.1M	5%	\$71.6M	8%
EPS - Diluted	\$ 0.52		\$0.79	

Strong Balance Sheet

Q4 2004

Total cash and cash equivalents	\$307.5M
Deferred revenues	\$200.7M
Total assets	\$1.9B
DSO	84 days

- ▶ **Cash and cash equivalents includes \$14.0M of restricted cash**

Guidance First Quarter 2005

	Q1 2005 Guidance
Revenue range	\$235- \$240M
US GAAP EPS range	\$0.13 - \$0.16
Pro Forma EPS range	\$0.19 - \$0.22

Assumptions

- Pro forma diluted EPS excludes amortization of intangible assets and deferred stock-based compensation expense totaling approximately \$0.06 per share.

Guidance Full Year 2005

	FY 2005 Guidance
Revenue range	\$1.0B - \$1.025B
US GAAP EPS range	\$0.80 - \$0.90
Pro Forma EPS range	\$1.05 - \$1.15

Assumptions

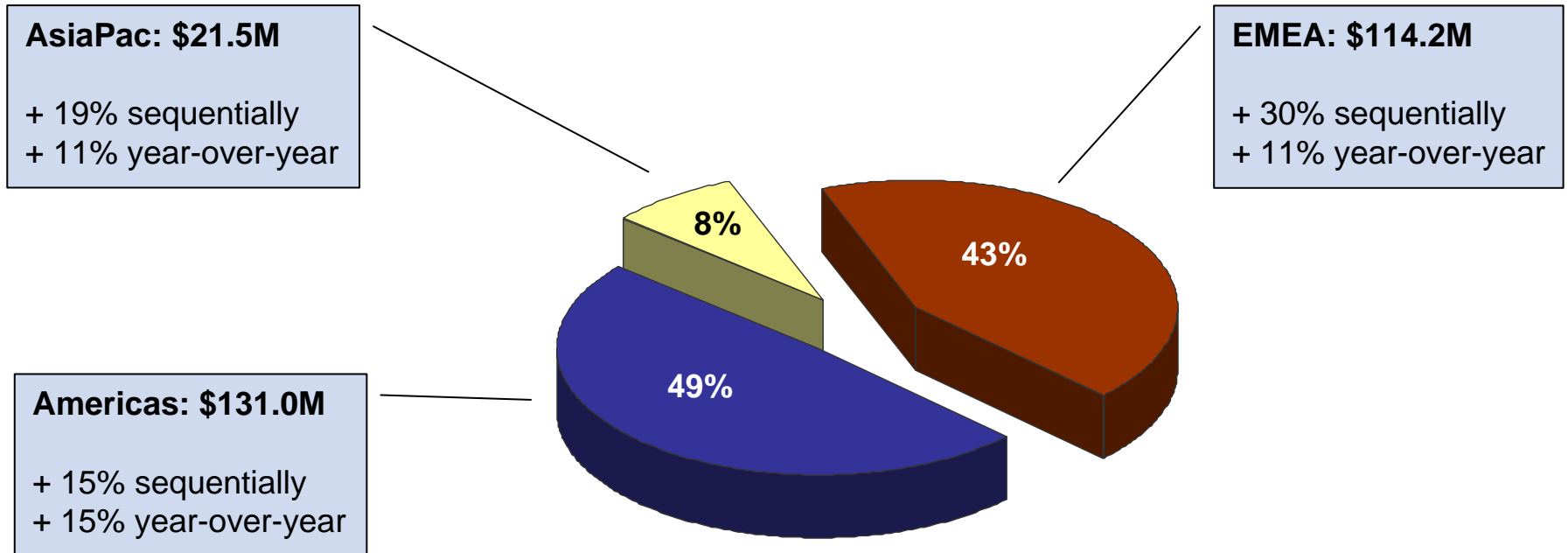
- Pro forma diluted EPS excludes amortization of intangible assets and deferred stock-based compensation expense totaling approximately \$0.25 per share.



Strategic Outlook

Bernard Liautaud, CEO

Revenue Growth by Geography - Q4 2004

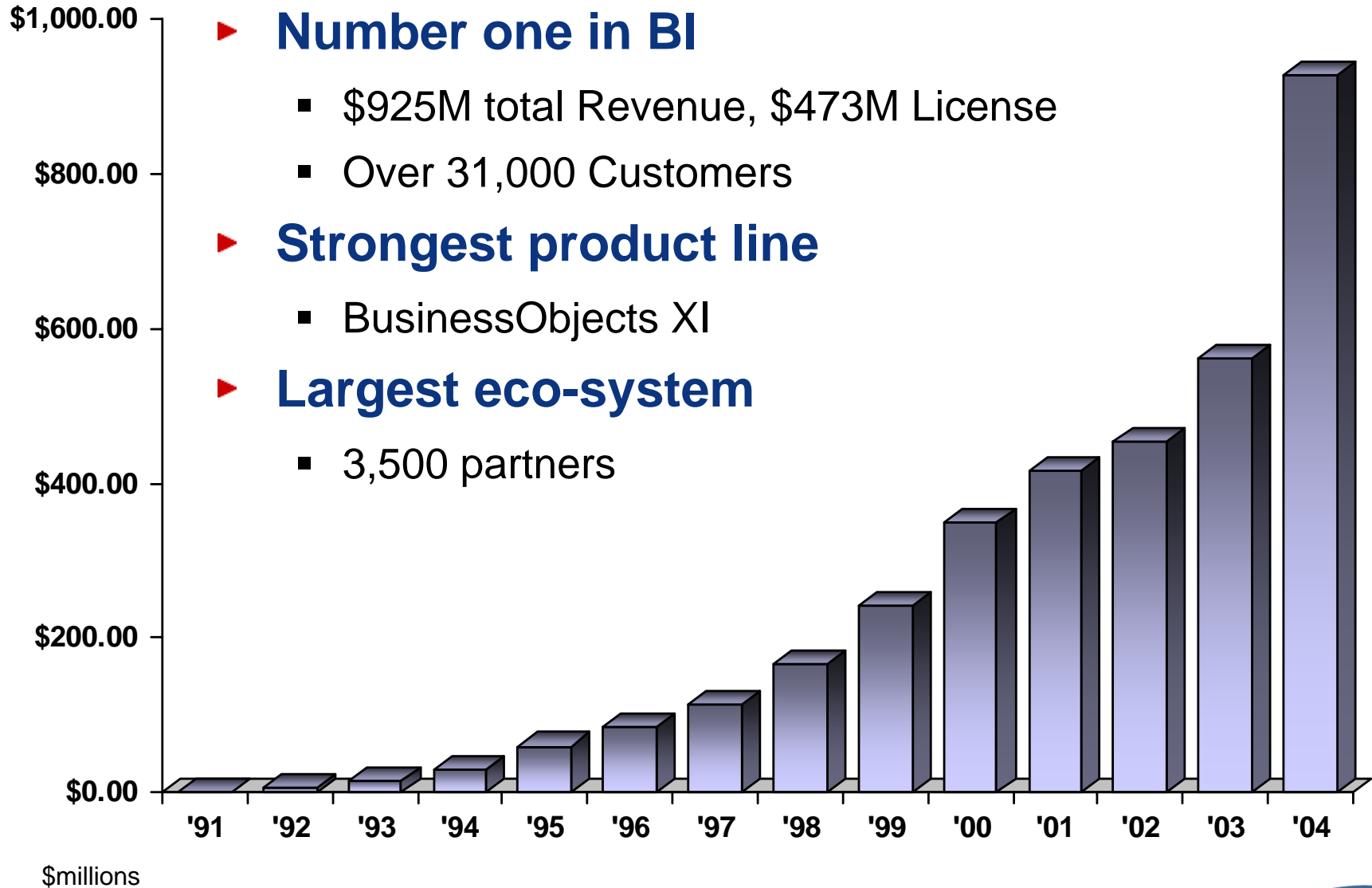


Year-over-year are on a pro forma basis

Business Objects Operates as One

- ▶ **Sales force combined and fully operational**
- ▶ **Product organization fully integrated**
- ▶ **BusinessObjects XI released according to schedule**

Business Objects Today



▶ **Number one in BI**

- \$925M total Revenue, \$473M License
- Over 31,000 Customers

▶ **Strongest product line**

- BusinessObjects XI

▶ **Largest eco-system**

- 3,500 partners

BusinessObjects™ XI

The Most Advanced and Complete Platform in Business Intelligence

- ▶ **Broadest and deepest set of end-user capabilities**
 - Bringing information to new users in new ways
 - Best of breed reporting, query & analysis, and performance management

- ▶ **On a single trusted platform**
 - Proven, modern, service-oriented architecture delivering lower total cost of ownership
 - Unmatched reliability, performance, scalability, security
 - Single platform for all BI usage

Business Objects 2005 Focus

- ▶ **Expanding presence in the mid-market**
- ▶ **BI standardization**
- ▶ **Enterprise Performance Management**
- ▶ **Opportunity for margin expansion**

Questions and Answers

