

BUSINESS OBJECTS S.A.
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(In thousands)

	Three Months Ended March 31,	
	2005	2004
	(unaudited)	
Operating activities:		
Net income	\$ 15,006	\$ 3,260
Adjustments to reconcile net income to net cash provided by (used in) operating activities:		
Depreciation and amortization of property and equipment	8,830	8,349
Amortization of other intangible assets	8,133	7,789
Stock-based compensation expense	1,217	2,077
Deferred income taxes	10	(16,280)
Tax benefit from employee stock plans	-	2,517
Changes in operating assets and liabilities:		
Accounts receivable, net	61,048	5,218
Prepaid and other current assets	(3,286)	(11,053)
Deposits and other assets	3,736	(16,243)
Accounts payable	4,583	(4,401)
Accrued payroll and related expenses	(20,560)	(24,367)
Income taxes payable	(6,140)	16,021
Deferred revenues	12,513	29,709
Other liabilities	(9,777)	(4,745)
Short-term investments classified as trading	66	(268)
Net cash provided by (used in) operating activities	<u>75,379</u>	<u>(2,417)</u>
Investing activities:		
Purchases of property and equipment	(7,480)	(7,666)
Net cash used in investing activities	<u>(7,480)</u>	<u>(7,666)</u>
Financing activities:		
Issuance of shares	12,277	13,882
Other activities	27	5
Net cash provided by financing activities	<u>12,304</u>	<u>13,887</u>
Effect of foreign exchange rate changes on cash and cash equivalents	842	6,686
Net increase in cash and cash equivalents	81,045	10,490
Cash and cash equivalents, beginning of the period	<u>293,485</u>	<u>235,380</u>
Cash and cash equivalents, end of the period	<u>\$ 374,530</u>	<u>\$ 245,870</u>