

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

	Six Months Ended	
	June 30,	
	2005	2004
	(unaudited)	
Operating activities:		
Net income	\$ 38,145	\$ 14,748
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization of property and equipment	16,516	16,113
Amortization of other intangible assets	16,040	15,435
Stock-based compensation expense	2,360	3,787
Deferred income taxes	3,850	(14,795)
Tax benefit from employee stock plans	-	2,517
Changes in operating assets and liabilities:		
Accounts receivable, net	29,019	(14,849)
Prepaid and other current assets	(8,865)	(9,226)
Deposits and other assets	7,563	(13,717)
Accounts payable	4,523	(8,808)
Accrued payroll and related expenses	(14,389)	(21,503)
Income taxes payable	(14,067)	6,501
Deferred revenues	15,517	41,576
Other liabilities	(24,943)	(4,991)
Short-term investments classified as trading	(15)	(290)
Net cash provided by operating activities	<u>71,254</u>	<u>12,498</u>
Investing activities:		
Purchases of property and equipment	(13,891)	(16,272)
Net cash used in investing activities	<u>(13,891)</u>	<u>(16,272)</u>
Financing activities:		
Issuance of shares	16,020	20,746
Purchase of treasury shares	-	(20,961)
Transfer of cash from (to) restricted cash accounts	37	(30,037)
Payments on escrows payable	-	(3,092)
Net cash provided by (used in) financing activities	<u>16,057</u>	<u>(33,344)</u>
Effect of foreign exchange rate changes on cash and cash equivalents	(911)	4,355
Net increase (decrease) in cash and cash equivalents	<u>72,509</u>	<u>(32,763)</u>
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>\$ 365,994</u>	<u>\$ 202,617</u>