

**BUSINESS OBJECTS S.A.**  
**CONDENSED CONSOLIDATED STATEMENTS OF INCOME**  
(in thousands, except per ordinary share and ADS data)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2005	2004	2005	2004
Revenues:	(unaudited)		(unaudited)	
Net license fees	\$ 124,858	\$ 117,182	\$ 240,009	\$ 231,675
Services	137,551	105,056	271,175	207,798
Total revenues	<u>262,409</u>	<u>222,238</u>	<u>511,184</u>	<u>439,473</u>
Cost of revenues:				
Net license fees	7,249	5,971	14,417	13,653
Services	52,781	41,444	104,162	83,074
Total cost of revenues	<u>60,030</u>	<u>47,415</u>	<u>118,579</u>	<u>96,727</u>
Gross margin	<u>202,379</u>	<u>174,823</u>	<u>392,605</u>	<u>342,746</u>
Operating expenses:				
Sales and marketing	104,787	99,271	208,509	196,452
Research and development	40,427	36,541	80,701	76,244
General and administrative	22,218	19,234	47,031	40,946
Restructuring costs	-	1,492	-	1,492
Total operating expenses	<u>167,432</u>	<u>156,538</u>	<u>336,241</u>	<u>315,134</u>
Income from operations	34,947	18,285	56,364	27,612
Interest and other income (expense), net	3,178	261	7,578	(3,807)
Income before provision for income taxes	38,125	18,546	63,942	23,805
Provision for income taxes	(14,986)	(7,058)	(25,797)	(9,057)
Net income	<u>\$ 23,139</u>	<u>\$ 11,488</u>	<u>\$ 38,145</u>	<u>\$ 14,748</u>
Basic net income per ordinary share and ADS	<u>\$ 0.26</u>	<u>\$ 0.13</u>	<u>\$ 0.43</u>	<u>\$ 0.17</u>
Diluted net income per ordinary share and ADS	<u>\$ 0.25</u>	<u>\$ 0.13</u>	<u>\$ 0.42</u>	<u>\$ 0.16</u>
Ordinary shares and ADSs used in computing basic net income per ordinary share and ADS	<u>90,030</u>	<u>89,095</u>	<u>89,727</u>	<u>88,864</u>
Ordinary shares and ADSs and equivalents used in computing diluted net income per ordinary share and ADS	<u>92,089</u>	<u>91,061</u>	<u>91,650</u>	<u>91,730</u>