

Second Quarter 2005

Earnings Conference Call
July 28, 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 product acceptance, strategic and operational plans, the company's expectations of the business outlook, future financial and operating results, in particular with regard to the third quarter of 2005 and full year 2005. 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-K for the year ended December 31, 2004 and its Registration Statement on Form S-3 as filed with the Securities and Exchange Commission on July 20th. 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 year, or any other forward looking information in this call as a result of new developments or otherwise. The potential risks and uncertainties include, among others, fluctuations in the company's quarterly operating results; the company's ability to sustain or increase its profitability; the company's ability to attract and retain customers for BusinessObjects XI; the company's ability to issue new releases of BusinessObjects XI on other platforms; changes to current accounting policies which may have a significant, adverse impact upon the company's financial results; risks related to the company's planned purchase and integration of SRC Software, Inc. ; the introduction of new products by competitors or the entry of new competitors into the markets for Business Objects' products; the impact of the pricing of competing technologies; the company's ability to preserve its key strategic relationships; the company's reliance upon selling products only in the Business Intelligence software market; and economic and political conditions in the US and abroad.

Use of Non-GAAP Financial Measures

Our discussion today will also include Non-GAAP financial measures also known as pro forma. Reconciliations of US GAAP to non-GAAP or pro forma financial results are available in our press release and on our investor relations web page at www.businessobjects.com. The pro forma or non-GAAP financial measures such as revenue, operating income, net income and earnings per share information included in this presentation are different from those otherwise presented under US GAAP as these non-GAAP financial measures exclude certain charges. These charges represent amortization of intangible assets, deferred stock-based compensation expense and restructuring charges, all primarily associated with the acquisition of Crystal Decisions. Business Objects has provided these measures in addition to US GAAP financial results because management believes these non-GAAP or pro forma financial measures provide a consistent basis for comparison between quarters and of growth rates year-over-year that are not influenced by certain non-cash charges or impacts of prior period acquisitions, and therefore is helpful in understanding Business Objects' underlying operating results. In addition, this presentation also includes non-GAAP financial measures that use a constant currency to separate the impact of conversion from other foreign currencies to US dollars from other changes in our business. These non-GAAP financial 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 financial measures may not be comparable to information provided by other companies. Reconciliations of US GAAP to non-GAAP results are presented at the end of our press release and on our website at www.businessobjects.com.

Status of Transaction

Although Business Objects and SRC Software have signed an agreement under which Business Objects would acquire SRC, the proposed acquisition has not yet closed. The closing is contingent upon various factors, including government approvals. Accordingly, we can give you no assurance that the acquisition will in fact be consummated. Unless and until the acquisition closes, Business Objects and SRC must continue to run their businesses separately and independently, as they have in the past. For purposes of this discussion, the information provided is prospective and assumes that the acquisition will be consummated.

Financial Results

Jim Tolonen, CFO

Second Quarter 2005 Results

Total Revenues	\$262.4M
License Revenues	\$124.9M
US GAAP Diluted EPS	\$0.25
Pro forma Diluted EPS	\$0.32

- Total revenues grew 18% year-over-year
- Revenues exceeded Company guidance of \$250M - \$255M
- US GAAP Diluted EPS exceeded Company guidance of \$0.20 – \$0.22 per share; Pro forma Diluted EPS exceeded Company guidance of \$0.26 - \$0.28 per share

Services Revenues

Q2 2005

Maintenance:	\$100.7M
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Consulting and Training:	\$36.8M
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Total Services Revenues:	\$137.5M
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Q2 Summary Income Statement

Q2 2005

	US GAAP		Pro Forma	
Revenues	\$262.4M	100%	\$262.4M	100%
Cost of Revenues	\$60.0M	23%	\$52.2M	20%
Gross Margin	\$202.4M	77%	\$210.2M	80%
Operating Expenses	\$167.5M	64%	\$166.3M	63%
Income from Operations	\$34.9M	13%	\$43.9M	17%
Interest and Other Income	\$3.2M	1%	\$3.2M	1%
Income Before Taxes	\$38.1M	15%	\$47.1M	18%
Net Income	\$23.1M	9%	\$29.7M	11%
EPS - Diluted	\$0.25		\$0.32	

Strong Balance Sheet

Q2 2005

Total Cash and Investments*	\$383.9M
Deferred Revenues	\$207.2M
Total Assets	\$1.9B
DSO	72 days

* Cash and investments includes cash, cash equivalents, restricted cash and short-term investments

Business Objects to Acquire SRC Software

- ▶ **On July 20, 2005 Business Objects announced that it entered into a definitive agreement to acquire privately held SRC software, a leading vendor of financial planning and performance management software.**
- ▶ **The acquisition will be an all cash transaction of approximately \$100 million US and will be accounted for under the purchase method of accounting.**
- ▶ **The transaction is subject to regulatory approvals and other customary closing conditions, and is expected to close in September 2005.**

Guidance Third Quarter 2005

	Q3 2005 Guidance
Revenue range	\$248 – \$253M
US GAAP Diluted EPS range	\$0.19 – \$0.22
Pro forma Diluted EPS range	\$0.25 – \$0.28

- *Pro forma diluted EPS guidance excludes amortization of intangible assets and deferred stock-based compensation expense totaling approximately \$0.06 per share.*
- *Q305 guidance assumes a U.S. Dollar to Euro exchange rate of \$1.22 per €1.00 and an effective GAAP tax rate and a pro forma tax rate of 37% for the third quarter.*

Guidance Full Year 2005

	FY 2005 Guidance
Revenue range	\$1.025 – \$1.040B
US GAAP Diluted EPS range	\$0.89 – \$0.97
Pro forma Diluted EPS range	\$1.16 – \$1.24

- *Pro forma diluted EPS guidance excludes amortization of intangible assets and deferred stock-based compensation expense totaling approximately \$0.27 per share.*
- *FY05 guidance assumes a U.S. Dollar to Euro exchange rate of \$1.22 per €1.00 and an effective GAAP tax rate of 38% for the full year 2005 and a pro forma tax rate of 37% for the full year.*

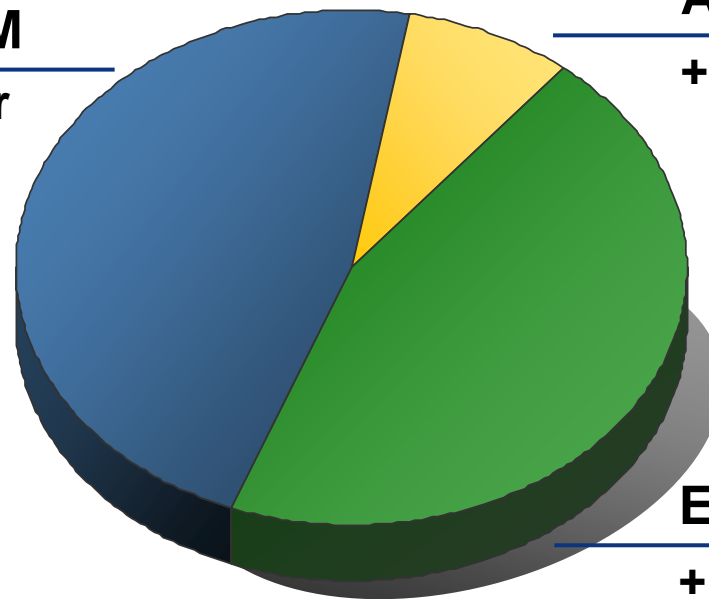


Strategic Outlook

Bernard Liautaud, CEO

Revenue Growth by Geography – Q2 2005

Americas: \$123.6M
+19% year-over-year



AsiaPac: \$22.3M
+21% year-over-year

EMEA: \$116.5M
+17% year-over-year
+ 11% in euro

Q2 Customer Successes



BusinessObjects XI Gaining Traction

BusinessObjects™ XI

- ▶ **BusinessObjects XI contributed more than \$50M in license revenues**
- ▶ **BusinessObjects XI success driven by the Americas**
- ▶ **Significant demand from new customers**
- ▶ **BusinessObjects XI was the differentiator in many competitive deals**

BusinessObjects™ XI

- ▶ Full stack of best-of-breed products on a single platform
- ▶ The most scalable server in the industry
- ▶ Unparalleled integration with Microsoft Office

Significant Product Growth Areas

▶ Data Integration

- 91% year over year growth
- \$6.7M in license revenue

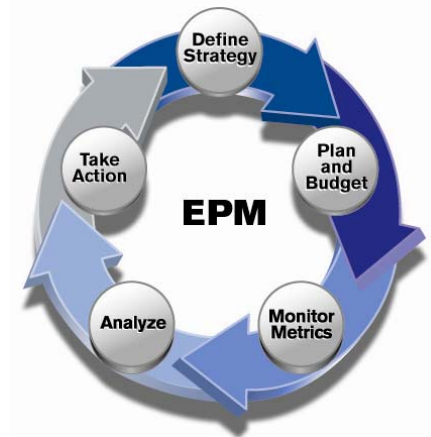
▶ Performance Management

- 36% year over year growth
- \$8.9M in license revenue

Pending Acquisition of SRC Software

Adding planning, budgeting, and consolidation to the portfolio

- ▶ **Enterprise Performance Management is the strategic evolution of the BI market**
 - Business Objects already has a strong performance management platform
 - Financial planning, budgeting and consolidation is an important addition
- ▶ **SRC Software is the right fit for Business Objects**
 - Great product
 - Solid installed base
 - Right size
- ▶ **In-line with our strategy to be the BI partner of the enterprise**



The logo for Business Objects features a blue swoosh above the text. The word "Business" is in a grey sans-serif font, and "Objects" is in a bold black sans-serif font. A small red dot is positioned above the letter 'j' in "Objects".

Business Objects™