

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

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2005	2004	2005	2004
Revenues:	(unaudited)		(unaudited)	
Net license fees	\$ 120,308	\$ 105,705	\$ 360,317	\$ 337,380
Services	141,073	113,765	412,248	321,563
Total revenues	<u>261,381</u>	<u>219,470</u>	<u>772,565</u>	<u>658,943</u>
Cost of revenues:				
Net license fees	7,169	7,117	21,586	20,770
Services	54,854	42,470	159,016	125,544
Total cost of revenues	<u>62,023</u>	<u>49,587</u>	<u>180,602</u>	<u>146,314</u>
Gross margin	<u>199,358</u>	<u>169,883</u>	<u>591,963</u>	<u>512,629</u>
Operating expenses:				
Sales and marketing	103,622	96,543	312,131	292,995
Research and development	42,849	35,339	123,550	111,583
General and administrative	22,799	21,366	69,830	62,312
Restructuring costs	-	-	-	1,492
Total operating expenses	<u>169,270</u>	<u>153,248</u>	<u>505,511</u>	<u>468,382</u>
Income from operations	<u>30,088</u>	<u>16,635</u>	<u>86,452</u>	<u>44,247</u>
Interest and other income (expense), net	<u>2,895</u>	<u>1,137</u>	<u>10,473</u>	<u>(2,670)</u>
Income before provision for income taxes	<u>32,983</u>	<u>17,772</u>	<u>96,925</u>	<u>41,577</u>
Provision for income taxes	<u>(13,416)</u>	<u>(6,743)</u>	<u>(39,213)</u>	<u>(15,800)</u>
Net income	<u>\$ 19,567</u>	<u>\$ 11,029</u>	<u>\$ 57,712</u>	<u>\$ 25,777</u>
Basic net income per ordinary share and ADS	<u>\$ 0.22</u>	<u>\$ 0.12</u>	<u>\$ 0.64</u>	<u>\$ 0.29</u>
Diluted net income per ordinary share and ADS	<u>\$ 0.21</u>	<u>\$ 0.12</u>	<u>\$ 0.63</u>	<u>\$ 0.28</u>
Ordinary shares and ADSs used in computing basic net income per ordinary share and ADS	<u>90,552</u>	<u>88,495</u>	<u>90,005</u>	<u>88,745</u>
Ordinary shares and ADSs and equivalents used in computing diluted net income per ordinary share and ADS	<u>93,455</u>	<u>89,792</u>	<u>92,286</u>	<u>91,210</u>