

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

	Six Months Ended	
	June 30,	
	2006	2005
	(unaudited)	
Operating activities:		
Net income	\$ 20,286	\$ 38,145
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization of property and equipment	15,770	16,516
Amortization of other intangible assets	19,146	16,040
Stock-based compensation expense	24,917	2,360
Excess tax benefits from stock-based compensation	(2,422)	-
Acquired in-process research and development	3,300	-
Deferred income taxes	(5,789)	3,850
Changes in operating assets and liabilities:		
Accounts receivable, net	45,546	29,019
Prepaid and other current assets	6,654	(8,865)
Deposits and other assets	6,282	7,563
Accounts payable	2,499	4,523
Accrued payroll and related expenses	(21,645)	(14,389)
Income taxes payable	16,937	(14,067)
Deferred revenues	45,860	15,517
Other liabilities	(1,953)	(24,943)
Short-term investments classified as trading	(390)	(15)
	<u>174,998</u>	<u>71,254</u>
Investing activities:		
Purchases of property and equipment	(22,807)	(13,891)
Business acquisitions, net of acquired cash	(55,482)	-
Increase in escrows payable	12,099	-
Transfer of cash to restricted cash accounts	(13,766)	-
	<u>(79,956)</u>	<u>(13,891)</u>
Financing activities:		
Issuance of shares	25,361	16,057
Excess tax benefits from stock-based compensation	2,422	-
	<u>27,783</u>	<u>16,057</u>
Effect of foreign exchange rate changes on cash and cash equivalents	13,888	(911)
	<u>136,713</u>	<u>72,509</u>
Cash and cash equivalents, beginning of the period	<u>332,777</u>	<u>293,485</u>
Cash and cash equivalents, end of the period	<u>\$ 469,490</u>	<u>\$ 365,994</u>