

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

	Year Ended	
	December 31,	
	<u>2005</u>	<u>2004</u>
	(unaudited)	
Operating activities:		
Net income	\$ 92,625	\$ 47,123
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization of property and equipment	31,691	32,493
Amortization of other intangible assets	32,851	30,780
Stock-based compensation expense	6,942	6,687
Acquired in-process research and development	3,584	-
Loss on retirements of property and equipment	972	-
Deferred income taxes	(5,786)	14,708
Tax benefit from employee stock plans	8,510	8,812
Changes in operating assets and liabilities:		
Accounts receivable, net	(26,296)	(51,809)
Prepaid and other current assets	(15,684)	(15,042)
Deposits and other assets	14,181	(30,777)
Accounts payable	6,596	(8,660)
Accrued payroll and related expenses	319	(7,090)
Income taxes payable	4,335	(9,948)
Deferred revenues	17,288	58,186
Other liabilities	(8,655)	13,177
Short-term investments classified as trading	(820)	(499)
	<u>162,653</u>	<u>88,141</u>
Net cash provided by operating activities		
Investing activities:		
Purchases of property and equipment	(41,079)	(30,273)
Business acquisitions, net of acquired cash	(128,814)	(279)
	<u>(169,893)</u>	<u>(30,552)</u>
Net cash used in investing activities		
Financing activities:		
Issuance of shares	53,113	40,586
Purchase of treasury shares	-	(40,231)
Increase in escrows payable	25,976	-
Transfer of cash (to) from restricted cash accounts	(28,972)	5,200
Payments on escrows payable	-	(3,074)
	<u>50,117</u>	<u>2,481</u>
Net cash provided by financing activities		
Effect of foreign exchange rate changes on cash and cash equivalents	(3,585)	(1,965)
	<u>39,292</u>	<u>58,105</u>
Net increase in cash and cash equivalents		
Cash and cash equivalents, beginning of the period	293,485	235,380
	<u>\$ 332,777</u>	<u>\$ 293,485</u>
Cash and cash equivalents, end of the period		