

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

	Three Months Ended December 31,		Year Ended December 31,	
	2005	2004	2005	2004
Revenues:	(unaudited)		(unaudited)	
Net license fees	\$ 155,320	\$ 135,993	\$ 515,637	\$ 473,373
Services	149,266	130,695	561,514	452,258
Total revenues	<u>304,586</u>	<u>266,688</u>	<u>1,077,151</u>	<u>925,631</u>
Cost of revenues:				
Net license fees	8,129	7,502	29,715	28,272
Services	57,610	46,589	216,626	172,133
Total cost of revenues	<u>65,739</u>	<u>54,091</u>	<u>246,341</u>	<u>200,405</u>
Gross margin	238,847	212,597	830,810	725,226
Operating expenses:				
Sales and marketing	122,301	113,801	434,432	406,796
Research and development	42,574	38,979	166,124	150,562
General and administrative	27,932	21,635	97,910	83,947
Restructuring costs	298	677	150	2,169
Total operating expenses	<u>193,105</u>	<u>175,092</u>	<u>698,616</u>	<u>643,474</u>
Income from operations	45,742	37,505	132,194	81,752
Interest and other income (expense), net	3,831	(1,550)	14,304	(4,220)
Income before provision for income taxes	49,573	35,955	146,498	77,532
Provision for income taxes	(14,660)	(14,609)	(53,873)	(30,409)
Net income	<u>\$ 34,913</u>	<u>\$ 21,346</u>	<u>\$ 92,625</u>	<u>\$ 47,123</u>
Basic net income per ordinary share and ADS	<u>\$ 0.38</u>	<u>\$ 0.24</u>	<u>\$ 1.02</u>	<u>\$ 0.53</u>
Diluted net income per ordinary share and ADS	<u>\$ 0.37</u>	<u>\$ 0.24</u>	<u>\$ 1.00</u>	<u>\$ 0.52</u>
Ordinary shares and ADSs used in computing basic net income per ordinary share and ADS	<u>91,588</u>	<u>88,769</u>	<u>90,405</u>	<u>88,748</u>
Ordinary shares and ADSs and equivalents used in computing diluted net income per ordinary share and ADS	<u>95,086</u>	<u>90,390</u>	<u>93,036</u>	<u>91,077</u>