

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

	Three Months Ended		Nine Months Ended	
	September 30,		September 30,	
	2006	2005	2006	2005
Revenues:	(unaudited)		(unaudited)	
Net license fees	\$ 131,602	\$ 120,308	\$ 380,606	\$ 360,317
Services	178,833	141,073	502,584	412,248
Total revenues	<u>310,435</u>	<u>261,381</u>	<u>883,190</u>	<u>772,565</u>
Cost of revenues:				
Net license fees	10,870	7,169	29,122	21,586
Services	67,607	54,854	194,397	159,016
Total cost of revenues	<u>78,477</u>	<u>62,023</u>	<u>223,519</u>	<u>180,602</u>
Gross profit	231,958	199,358	659,671	591,963
Operating expenses:				
Sales and marketing	121,451	103,622	362,074	312,131
Research and development	50,633	42,849	147,014	123,550
General and administrative	30,379	22,799	89,707	69,830
Total operating expenses	<u>202,463</u>	<u>169,270</u>	<u>598,795</u>	<u>505,511</u>
Income from operations	29,495	30,088	60,876	86,452
Interest and other income, net	4,726	2,895	10,589	10,473
Income before provision for income taxes	34,221	32,983	71,465	96,925
Provision for income taxes	(14,652)	(13,416)	(31,610)	(39,213)
Net income	<u>\$ 19,569</u>	<u>\$ 19,567</u>	<u>\$ 39,855</u>	<u>\$ 57,712</u>
Basic net income per ordinary share and ADS	<u>\$ 0.21</u>	<u>\$ 0.22</u>	<u>\$ 0.43</u>	<u>\$ 0.64</u>
Diluted net income per ordinary share and ADS	<u>\$ 0.21</u>	<u>\$ 0.21</u>	<u>\$ 0.42</u>	<u>\$ 0.63</u>
Ordinary shares and ADSs used in computing basic net income per ordinary share and ADS	<u>93,685</u>	<u>90,552</u>	<u>93,204</u>	<u>90,005</u>
Ordinary shares and ADSs and equivalents used in computing diluted net income per ordinary share and ADS	<u>94,976</u>	<u>93,455</u>	<u>94,922</u>	<u>92,286</u>