

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

	Nine Months Ended	
	September 30,	
	2006	2005
	(unaudited)	
Operating activities:		
Net income	\$ 39,855	\$ 57,712
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization of property and equipment	23,078	24,016
Amortization of other intangible assets	29,937	23,865
Stock-based compensation expense	37,853	3,922
Acquired in-process research and development	3,600	2,384
Loss on disposal of assets	244	831
Deferred income taxes	(10,754)	4,030
Changes in operating assets and liabilities:		
Accounts receivable, net	33,453	40,331
Prepaid and other current assets	(2,159)	(13,340)
Deposits and other assets	10,492	11,379
Accounts payable	(1,245)	1,616
Accrued payroll and related expenses	(9,172)	(15,645)
Income taxes payable	29,821	(1,270)
Deferred revenues	34,517	3,237
Other liabilities	1,196	(13,111)
Short-term investments classified as trading	(543)	(970)
Net cash provided by operating activities	220,173	128,987
Investing activities:		
Purchases of property and equipment	(34,251)	(22,477)
Business acquisitions, net of acquired cash	(65,233)	(95,858)
Proceeds from sale of division	2,625	-
Increase (decrease) in escrows payable	(1,031)	17,957
Transfer of cash from restricted cash accounts	(694)	(17,955)
Net cash used in investing activities	(98,584)	(118,333)
Financing activities:		
Issuance of shares	32,411	30,095
Net cash provided by financing activities	32,411	30,095
Effect of foreign exchange rate changes on cash and cash equivalents	12,351	(1,770)
Net increase in cash and cash equivalents	166,351	38,979
Cash and cash equivalents, beginning of the period	332,777	293,485
Cash and cash equivalents, end of the period	\$ 499,128	\$ 332,464