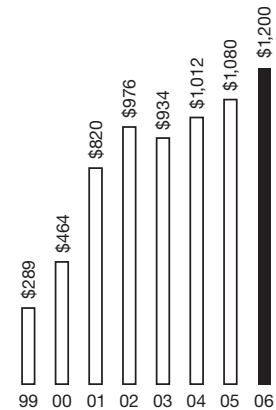


Financial Highlights FY2006

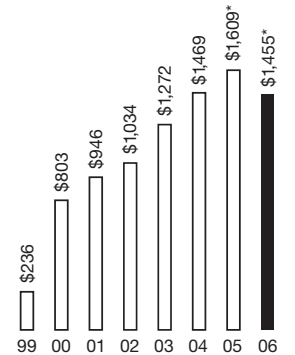
In FY2006, BEA once again outperformed the previous year, setting new records in many key performance metrics. We achieved our highest-ever levels of total revenue, operating profit, and operating cash flow. FY2006 ended with a strong balance sheet, demonstrated by deferred revenues and stockholders' equity. Total revenues grew 11%—a 4% increase over FY2005. Customer support revenues also increased by 17%, and license revenue grew 6%. The strength and stability of our financial performance and our balance sheet have enabled us to increase our investment in R&D by 25%, allowing us to develop exciting products and solutions for our customers' IT challenges.

In the coming year, we will continue to help our customers implement a pragmatic approach to SOA so they can experience a faster time-to-market while mitigating costs and reducing risks. We will also keep improving our current products so our customers can embrace the benefits of SOA solutions, allowing them to align business processes with IT and achieve Business LiquidITy.™ We look forward to BEA's continued growth and profitability as we find more opportunities to help our customers realize that liquid thinking changes everything.

Total Revenue  
(in millions)

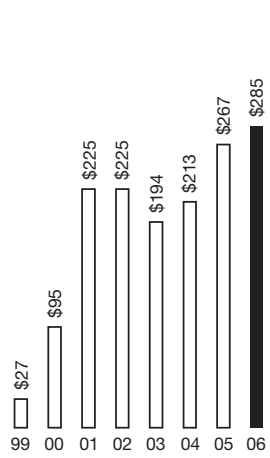


Cash Balance  
(in millions)

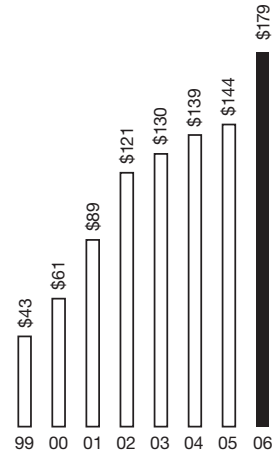


\*This figure includes investments classified as long-term

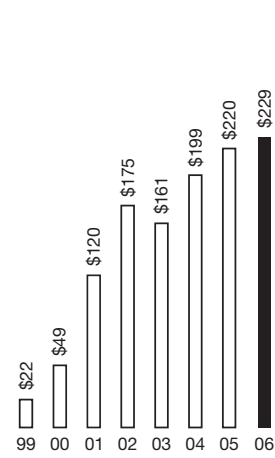
Operating Cash Flow  
(in millions)



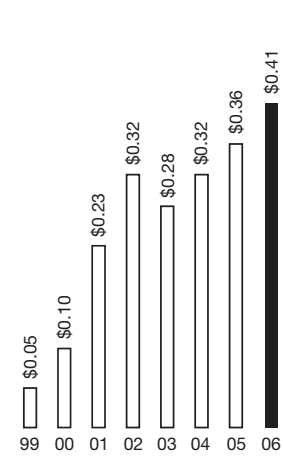
Non-GAAP R&D Expenditure  
(in millions)



Non-GAAP Operating Profit  
(in millions)



Non-GAAP Earnings per Share



## Financial Highlights

Reconciliation of GAAP and Non-GAAP Financial Measures (in thousands, except for per share data) (unaudited)

	For 12 months ended January 31, 2006			For 12 months ended January 31, 2005		
	as reported	adjustments	as adjusted	as reported	adjustments	as adjusted
Revenues	\$ 1,199,845	\$ —	\$ 1,199,845	\$ 1,080,094	\$ —	\$ 1,080,094
Cost of revenues	258,442	(14,208) <sup>(a)</sup>	244,234	232,667	(13,896) <sup>(a)</sup>	218,771
Gross profit	941,403	14,208	955,611	847,427	13,896	861,323
Operating expenses	735,567	(8,673) <sup>(b)</sup>	726,894	652,558	(10,949) <sup>(b)</sup>	641,609
Income (loss) from operations	205,836	22,881	228,717	194,869	24,845	219,714
Interest and other, net	9,589	2,662 <sup>(c)</sup>	6,927	(7,646)	(165) <sup>(c)</sup>	(7,481)
Income (loss) before provision for income taxes	215,425	20,219	235,644	187,223	25,010	212,233
Provision for income taxes	72,682	(1,990) <sup>(d)</sup>	70,692	56,167	7,500 <sup>(d)</sup>	63,667
Net income (loss)	\$ 142,743	\$ 22,209	\$ 164,952	\$ 131,056	\$ 17,510	\$ 148,566
Diluted net income (loss) per share <sup>(e)</sup>	\$ 0.36		\$ 0.41	\$ 0.32		\$ 0.36
Diluted shares outstanding	397,850		397,850	415,873		415,873
Operating margin <sup>(g)</sup>	17.2%		19.1%	18.0%		20.3%

(a) Non-GAAP cost of revenues excludes \$0, \$0, \$0, \$0, \$2,461, \$0, \$0, and \$0 related to severance charges, \$14,068, \$13,896, \$21,719, \$25,388, \$33,406, \$38,466, \$30,391, and \$23,290 related to the impairment and amortization of acquired intangible assets, and \$140, \$0, \$0, \$0, \$0, \$0, and \$0 related to acquisition-related deferred compensation expense for the twelve months ended January 31, 2006, 2005, 2004, 2003, 2002, 2001, 2000, and 1999, respectively.

(b) Non-GAAP operating expenses exclude \$0, \$0, \$0, \$0, \$46,384, \$59,192, \$15,764, and \$2,981 related to the amortization of goodwill, \$772, \$8,165, \$0, \$0, \$37,992, \$0, \$0, and \$0 related to restructuring and severance charges, \$0, \$0, \$0, \$0, \$73,068, \$0, \$0, and \$0 related to impairment of goodwill, \$3,301, \$2,784, \$2,197, \$2,363, \$716, \$0, \$0, and \$0 of acquisition-related deferred stock compensation expense, \$4,600, \$0, \$0, \$0, \$0, \$2,200, \$3,000, and \$42,244 related to acquisition-related in-process research and development for the twelve months ended January 31, 2006, 2005, 2004, 2003, 2002, 2001, 2000, and 1999, respectively.

	For 12 months ended January 31, 2004			For 12 months ended January 31, 2003		
	as reported	adjustments	as adjusted	as reported	adjustments	as adjusted
Revenues	\$ 1,012,492	\$ —	\$ 1,012,492	\$ 934,058	\$ —	\$ 934,058
Cost of revenues	236,934	(21,719) <sup>(a)</sup>	215,215	222,290	(25,388) <sup>(a)</sup>	196,902
Gross profit	775,558	21,719	797,277	711,768	25,388	737,156
Operating expenses	600,861	(2,197) <sup>(b)</sup>	598,664	578,035	(2,363) <sup>(b)</sup>	575,672
Income (loss) from operations	174,697	23,916	198,613	133,733	27,751	161,484
Interest and other, net	(5,163)	(258) <sup>(c)</sup>	(4,905)	(13,910)	(20,515) <sup>(c)</sup>	6,605
Income (loss) before provision for income taxes	169,534	24,174	193,708	119,823	48,266	168,089
Provision for income taxes	50,860	7,251 <sup>(d)</sup>	58,111	35,947	14,480 <sup>(d)</sup>	50,427
Net income (loss)	\$ 118,674	\$ 16,923	\$ 135,597	\$ 83,876	\$ 33,786	\$ 117,662
Diluted net income (loss) per share <sup>(e)</sup>	\$ 0.28		\$ 0.32	\$ 0.20		\$ 0.28
Diluted shares outstanding	421,050		421,050	418,540		418,540
Operating margin <sup>(g)</sup>	17.3%		19.6%	14.3%		17.3%

(c) Non-GAAP interest and other, net excludes net gains (losses) of \$0, \$(165), \$200, \$(20,515), \$(1,146), \$4,764, \$0, and \$0 related to write-downs and disposals of investments in equity securities, \$0, \$0, \$0, \$0, \$(236), \$(8,054), and \$0 related to the premium paid on conversion of notes, \$0, \$0, \$458, \$0, \$0, \$0, and \$0 related to write-off of deferred financing fees, \$1,995, \$0, \$0, \$0, \$0, \$0, and \$0 related to a minority interest in equity securities, and \$667, \$0, \$0, \$0, \$0, \$0, and \$0 related to the retirement of the convertible subordinated notes for the twelve months ended January 31, 2006, 2005, 2004, 2003, 2002, 2001, 2000, and 1999, respectively.

(d) Provision for income taxes assumes a tax rate of 30 percent and includes the impact of these non-GAAP adjustments.

(e) Reflects the December 19, 1999, and April 24, 2000, stock splits.

(f) Non-GAAP diluted shares outstanding differ from that reported under generally accepted accounting principles because the non-GAAP adjustments are included in the calculation of the impact of dilutive securities on non-GAAP shares outstanding.

(g) Calculated as income (loss) from operations divided by revenues.

## Financial Highlights (cont.)

	For 12 months ended January 31, 2002			For 12 months ended January 31, 2001		
	as reported	adjustments	as adjusted	as reported	adjustments	as adjusted
Revenues	\$ 975,893	\$ —	\$ 975,893	\$ 819,760	\$ —	\$ 819,760
Cost of revenues	239,632	(35,867) <sup>(a)</sup>	203,765	255,757	(38,466) <sup>(a)</sup>	217,291
Gross profit	736,261	35,867	772,128	564,003	38,466	602,469
Operating expenses	754,850	(158,160) <sup>(b)</sup>	596,690	543,751	(61,392) <sup>(b)</sup>	482,359
Income (loss) from operations	(18,589)	194,027	175,438	20,252	99,858	120,110
Interest and other, net	14,321	(1,146) <sup>(c)</sup>	15,467	27,210	4,528 <sup>(c)</sup>	22,682
Income (loss) before provision for income taxes	(4,268)	195,173	190,905	47,462	95,330	142,792
Provision for income taxes	31,410	25,862 <sup>(d)</sup>	57,272	30,380	12,458 <sup>(d)</sup>	42,838
Net income (loss)	\$ (35,678)	\$ 169,311	\$ 133,633	\$ 17,082	\$ 82,872	\$ 99,954
Diluted net income (loss) per share <sup>(e)</sup>	\$ (0.09)		\$ 0.32	\$ 0.04		\$ 0.23
Diluted shares outstanding	396,498	25,555 <sup>(f)</sup>	422,053	412,700	12,840 <sup>(f)</sup>	425,540
Operating margin <sup>(g)</sup>	(1.9%)		18.0%	2.5%		14.7%

(a) Non-GAAP cost of revenues excludes \$0, \$0, \$0, \$0, \$2,461, \$0, \$0, and \$0 related to severance charges, \$14,068, \$13,896, \$21,719, \$25,388, \$33,406, \$38,466, \$30,391, and \$23,290 related to the impairment and amortization of acquired intangible assets, and \$140, \$0, \$0, \$0, \$0, \$0, and \$0 related to acquisition-related deferred compensation expense for the twelve months ended January 31, 2006, 2005, 2004, 2003, 2002, 2001, 2000, and 1999, respectively.

(b) Non-GAAP operating expenses exclude \$0, \$0, \$0, \$0, \$46,384, \$59,192, \$15,764, and \$2,981 related to the amortization of goodwill, \$772, \$8,165, \$0, \$0, \$37,992, \$0, \$0, and \$0 related to restructuring and severance charges, \$0, \$0, \$0, \$0, \$73,068, \$0, \$0, and \$0 related to impairment of goodwill, \$3,301, \$2,784, \$2,197, \$2,363, \$716, \$0, \$0, and \$0 of acquisition-related deferred stock compensation expense, \$4,600, \$0, \$0, \$0, \$0, \$2,200, \$3,000, and \$42,244 related to acquisition-related in-process research and development for the twelve months ended January 31, 2006, 2005, 2004, 2003, 2002, 2001, 2000, and 1999, respectively.

	For 12 months ended January 31, 2000			For 12 months ended January 31, 1999		
	as reported	adjustments	as adjusted	as reported	adjustments	as adjusted
Revenues	\$ 464,410	\$ —	\$ 464,410	\$ 289,042	\$ —	\$ 289,042
Cost of revenues	134,841	(30,391) <sup>(a)</sup>	104,450	83,682	(23,290) <sup>(a)</sup>	60,392
Gross profit	329,569	30,391	359,960	205,360	23,290	228,650
Operating expenses	329,246	(18,764) <sup>(b)</sup>	310,482	251,635	(45,225) <sup>(b)</sup>	206,410
Income (loss) from operations	323	49,155	49,478	(46,275)	68,515	22,240
Interest and other, net	(5,980)	(8,054) <sup>(c)</sup>	2,074	(451)	— <sup>(c)</sup>	(451)
Income (loss) before provision for income taxes	(5,657)	57,209	51,552	(46,726)	68,515	21,789
Provision for income taxes	13,917	1,549 <sup>(d)</sup>	15,466	4,856	1,681 <sup>(d)</sup>	6,537
Net income (loss)	\$ (19,574)	\$ 55,660	\$ 36,086	\$ (51,582)	\$ 66,834	\$ 15,252
Diluted net income (loss) per share <sup>(e)</sup>	\$ (0.06)		\$ 0.10	\$ (0.18)		\$ 0.05
Diluted shares outstanding	310,817	34,299 <sup>(f)</sup>	345,116	280,988	44,162 <sup>(f)</sup>	325,150
Operating margin <sup>(g)</sup>	0.1%		10.7%	-16.0%		7.7%

(c) Non-GAAP interest and other, net excludes net gains (losses) of \$0, \$(165), \$200, \$(20,515), \$(1,146), \$4,764, \$0, and \$0 related to write-downs and disposals of investments in equity securities, \$0, \$0, \$0, \$0, \$0, \$(236), \$(8,054), and \$0 related to the premium paid on conversion of notes, \$0, \$0, \$458, \$0, \$0, \$0, and \$0 related to write-off of deferred financing fees, \$1,995, \$0, \$0, \$0, \$0, \$0, and \$0 related to a minority interest in equity securities, and \$667, \$0, \$0, \$0, \$0, \$0, and \$0 related to the retirement of the convertible subordinated notes for the twelve months ended January 31, 2006, 2005, 2004, 2003, 2002, 2001, 2000, and 1999, respectively.

(d) Provision for income taxes assumes a tax rate of 30 percent and includes the impact of these non-GAAP adjustments.

(e) Reflects the December 19, 1999, and April 24, 2000, stock splits.

(f) Non-GAAP diluted shares outstanding differ from that reported under generally accepted accounting principles because the non-GAAP adjustments are included in the calculation of the impact of dilutive securities on non-GAAP shares outstanding.

(g) Calculated as income (loss) from operations divided by revenues.



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