

**Ariba, Inc. and Subsidiaries**

**Condensed Consolidated Statements of Operations**  
**(in thousands)**

	3 months ended 31-Dec-04	FYE 30-Sep-04	3 months ended 30-Sep-04	3 months ended 30-Jun-04	3 months ended 31-Mar-04	3 months ended 31-Dec-03	FYE 30-Sep-03	3 months ended 30-Sep-03	3 months ended 30-Jun-03	3 months ended 31-Mar-03	3 months ended 31-Dec-02
<b>REVENUES</b>											
License	\$ 17,122	\$ 65,654	\$ 15,563	\$ 15,475	\$ 15,940	\$ 18,676	\$ 103,066	\$ 23,580	\$ 21,288	\$ 27,749	\$ 30,449
Subscription and maintenance	31,428	\$ 95,689	31,105	20,988	21,529	22,067	87,093	22,634	21,020	21,144	22,295
Services and other	38,379	\$ 84,455	37,408	16,520	18,539	11,988	46,539	12,918	14,255	10,381	8,985
Total revenues	<b>86,929</b>	<b>245,798</b>	<b>84,076</b>	<b>52,983</b>	<b>56,008</b>	<b>52,731</b>	<b>236,698</b>	<b>59,132</b>	<b>56,563</b>	<b>59,274</b>	<b>61,729</b>
<b>COST OF REVENUES</b>											
License	694	2,673	562	527	217	1,367	3,562	524	1,868	1,134	36
Subscription and maintenance	6,595	22,360	6,354	5,226	5,396	5,384	22,960	5,458	5,598	5,996	5,908
Services and other	29,768	69,832	28,911	15,128	15,632	10,161	37,188	9,674	9,288	9,522	8,704
Amortization of acquired technology and customer intangible assets	4,700	5,066	4,725	341	-	-	4,000	-	-	1,163	2,837
Total cost of revenues	41,757	99,931	40,552	21,222	21,245	16,912	67,710	15,656	16,754	17,815	17,485
<b>Gross profit</b>	<b>45,172</b>	<b>145,867</b>	<b>43,524</b>	<b>31,761</b>	<b>34,763</b>	<b>35,819</b>	<b>168,988</b>	<b>43,476</b>	<b>39,809</b>	<b>41,459</b>	<b>44,244</b>
<b>OPERATING EXPENSES</b>											
Sales and marketing	24,673	74,290	23,346	17,036	20,353	13,555	66,484	16,635	16,029	16,992	16,828
Research and development	13,043	54,091	15,219	13,811	12,783	12,278	54,014	13,037	13,212	13,807	13,958
General and administrative	8,614	26,072	9,958	6,650	4,921	4,543	36,203	6,625	8,745	13,769	7,064
Amortization of other intangible assets	185	460	235	149	76	-	113,464	-	-	47,787	65,677
In-process research & development	-	100	100	-	-	-	-	-	-	-	-
Stock-based compensation	4,378	2,788	1,149	771	838	30	2,161	325	364	1,198	274
Restructure and integration costs	1,817	16,803	16,900	1,820	(1,917)	-	5,350	-	5,350	-	-
Litigation provision	37,000	-	-	-	-	-	-	-	-	-	-
Total operating expenses	89,710	174,604	66,907	40,237	37,054	30,406	277,676	36,622	43,700	93,553	103,801
Income (loss) from operations	(44,538)	(28,737)	(23,383)	(8,476)	(2,291)	5,413	(108,688)	6,854	(3,891)	(52,094)	(59,557)
Interest Income	909	3,589	1,062	695	894	938	5,183	1,078	1,163	1,365	1,577
Interest Expense	(11)	(18)	(11)	(2)	(3)	(2)	(106)	(19)	(74)	(3)	(10)
Other income (expense)	1,717	(763)	(737)	30	62	(118)	652	159	97	202	194
Total other income, net	2,615	2,808	314	723	953	818	5,729	1,218	1,186	1,564	1,761
Net income (loss) before income taxes and minority interests	(41,923)	(25,929)	(23,069)	(7,753)	(1,338)	6,231	(102,959)	8,072	(2,705)	(50,530)	(57,796)
Provision (benefit) for income taxes	4,813	(160)	193	174	(255)	(272)	(92)	(419)	(116)	105	338
Minority interest in net income (loss) of consolidated subsidiaries	16	(539)	(403)	(296)	(253)	413	3,460	1,126	858	948	528
<b>Net income (loss)</b>	<b>(\$ 46,752)</b>	<b>(\$ 25,230)</b>	<b>(\$ 22,859)</b>	<b>(\$ 7,631)</b>	<b>(\$ 830)</b>	<b>\$ 6,090</b>	<b>(\$ 106,327)</b>	<b>\$ 7,365</b>	<b>(\$ 3,447)</b>	<b>(\$ 51,583)</b>	<b>(\$ 58,662)</b>