



Aspen Technology Reports Ten Percent Sequential Increase in License Revenues

August 7, 2003

CAMBRIDGE, Mass.--(BUSINESS WIRE)--Aug. 7, 2003--Company meets operational targets for third consecutive quarter

Aspen Technology, Inc. (NASDAQ: AZPN) today reported financial results for its fourth quarter and fiscal year ended June 30, 2003.

Total revenues for the fourth quarter were \$82.8 million, with software license revenues totaling \$38.5 million, and services revenue totaling \$44.2 million. On a Generally Accepted Accounting Principles (GAAP) basis, AspenTech reported a net loss to common shareholders of \$18.2 million, or \$0.47 per share.

The GAAP net loss reflects \$18.5 million of restructuring charges, approximately half of which relates to adjustments in accruals for facility costs. In addition, approximately \$6 million of the charge relates to accruals for the company's upcoming Federal Trade Commission (FTC) litigation. The company issued a separate announcement today in which it responded to a formal complaint by the FTC challenging its acquisition of Hyprotech, which was completed in May 2002.

On a pro forma basis, AspenTech posted net income of \$2.7 million, or \$0.07 per share. This represents the third consecutive quarter of growth in pro forma earnings per share. Pro forma results exclude the restructuring and other charges and \$2.4 million in preferred stock dividend and discount accretion.

"Our fourth quarter sequential license growth was driven by a substantial increase in contribution from our manufacturing/supply chain solutions, which exceeded our expectations for the first time in fiscal 2003," said David McQuillin, President and CEO of AspenTech. "Our performance was well balanced by geography and end-user market--a testament to improved sales force productivity. We believe this validates our actions over the past year to streamline our operations and enhance our organizational leadership.

"I am very proud of the dramatic turnaround the company has made over the past nine months, improving operational performance in the midst of a very difficult environment for enterprise software providers. The best evidence of this improvement was the signing of a definitive agreement with Advent International for a \$100 million private equity financing, which is subject to shareholder approval. We believe these financial resources will help us to show year-on-year improvement in earnings and cash flow in fiscal 2004."

During the fourth fiscal quarter, AspenTech signed significant license transactions with Sinopec, Sasol, Huntsman Corp., Valero, Eli Lilly, Citgo, Celanese Chemicals and Cargill.

The company will be holding a conference call and webcast to discuss its financial results, business outlook, and related corporate and financial matters at 4:45 p.m. eastern time on Thursday, August 7, 2003. Interested parties may listen to a live webcast of the call by logging on to AspenTech's website: <http://www.aspentech.com> and clicking on the "Webcast" link under the Investor Relations section of the site. A replay of the call will be archived on AspenTech's website for the next twelve months and will also be available for forty-eight hours via telephone, beginning at 8:00 p.m. eastern time on August 7, 2003, by dialing 719-457-0820 and entering in confirmation code: 346887.

Pro Forma Results

AspenTech reports pro forma financial results, which exclude certain non-operational, non-cash and other specified charges that management generally does not consider in evaluating the Company's ongoing operations. These results are provided as a complement to results provided in accordance with accounting principles generally accepted in the United States (known as "GAAP"). Management believes this pro forma measure helps indicate underlying trends in the Company's business, and uses this pro forma measure to establish budgets and operational goals that are communicated internally and externally, to manage the Company's business and to evaluate its performance. A reconciliation of pro forma to GAAP is included in the attached condensed consolidated financial statements.

About AspenTech

Aspen Technology, Inc. is a leading supplier of enterprise software to the process industries, enabling its customers to increase their margins and optimize their business performance. AspenTech's engineering solutions, including Hyprotech's technologies, help companies design and improve their plants and processes, maximizing returns throughout their operational life. AspenTech's manufacturing/supply chain solutions allow companies to run their plants and supply chains more profitably, from customer demand through to the delivery of the finished products. Over 1,200 leading companies rely on AspenTech's software every day to drive improvements across their most important engineering and operational processes. AspenTech's customers include: Air Liquide, AstraZeneca, Bayer, BASF, BP, ChevronTexaco, Dow Chemical, DuPont, ExxonMobil, GlaxoSmithKline, Lyondell Equistar, Merck, Mitsubishi Chemical, Shell, Southern Company, TXU Energy and Unilever. For more information, visit www.aspentech.com.

The fifth and sixth paragraphs of this press release contains forward-looking statements for purposes of the safe harbor provisions of the Private Securities Litigation Reform Act of 1995. For this purpose, any statement using the term "will," "should," "could," "anticipates," "believes" or a comparable term is a forward-looking statement. Actual results may vary significantly from AspenTech's expectations based on a number of risks and uncertainties, including: AspenTech's lengthy sales cycle which makes it difficult to predict quarterly operating results; the FTC's investigation of AspenTech's acquisition of Hyprotech; fluctuations in AspenTech's quarterly operating results; AspenTech's dependence on customers in the cyclical chemicals, petrochemicals and petroleum industries; AspenTech's ability to raise additional capital as required; AspenTech's ability to integrate the operations of acquired companies; intense competition; AspenTech's need to develop and market products successfully; reliance on relationships with strategic partners; and other risk factors described from time to time in AspenTech's periodic reports and registration statements filed with the Securities and Exchange Commission. AspenTech cannot guarantee any future results, levels of activity, performance, or achievements. Moreover,

neither AspenTech nor anyone else assumes responsibility for the accuracy and completeness of any forward-looking statements. AspenTech undertakes no obligation to update any of the forward-looking statements after the date of this press release.

AspenTech and the Aspen logo are trademarks of Aspen Technology, Inc., Cambridge, Mass.

ASPEN TECHNOLOGY, INC.

CONSOLIDATED CONDENSED STATEMENTS OF OPERATIONS

(in thousands, except per share data)

| | Three Months Ended | | Twelve Months Ended | |
|---|--------------------|-------------|---------------------|-------------|
| | June 30, | June 30, | June 30, | June 30, |
| | 2003 | 2002 | 2003 | 2002 |
| REVENUES: □ | | | | |
| Software licenses | \$38,549 | \$37,363 | \$139,859 | \$133,913 |
| Services | 44,220 | 46,588 | 182,862 | 186,691 |
| Total revenues | 82,769 | 83,951 | 322,721 | 320,604 |
| EXPENSES: □ | | | | |
| Cost of software licenses | 4,179 | 3,167 | 13,916 | 11,830 |
| Cost of services | 26,292 | 29,600 | 106,868 | 119,972 |
| Selling and marketing | 25,243 | 30,629 | 105,883 | 115,225 |
| Research and development | 15,617 | 19,045 | 65,086 | 74,458 |
| General and administrative | 9,044 | 10,638 | 36,681 | 34,258 |
| Restructuring and other charges | 18,533 | 13,941 | 155,877 | 16,083 |
| Charge for in-process research and development | - | 14,900 | - | 14,900 |
| Total costs and expenses | 98,908 | 121,920 | 484,311 | 386,726 |
| Income (loss) from operations | (16,139) | (37,969) | (161,590) | (66,122) |
| Other income (expense), net | 154 | (386) | (596) | (893) |
| Write-off of investment | - | (8,923) | - | (8,923) |
| Interest income, net | 155 | 177 | 1,353 | 1,177 |
| Income (loss) before provision for (benefit from) income taxes | (15,830) | (47,101) | (160,833) | (74,761) |
| Provision for (benefit from) income taxes | - | 10,702 | - | 2,404 |
| Net income (loss) | (15,830) | (57,803) | (160,833) | (77,165) |
| Accretion of preferred stock discount and dividend | (2,372) | (2,161) | (9,184) | (6,301) |
| Net income (loss) applicable to common stockholders | \$ (18,202) | \$ (59,964) | \$ (170,017) | \$ (83,466) |
| Basic and diluted net income (loss) per share applicable to common stockholders | \$ (0.47) | \$ (1.60) | \$ (4.42) | \$ (2.58) |

| | | | | |
|---|--------|--------|--------|--------|
| Weighted average shares outstanding - basic and diluted | 39,026 | 37,438 | 38,476 | 32,308 |
|---|--------|--------|--------|--------|

Pro Forma before Restructuring and other charges, Charge for in-process research and development, Write-off of investment, Valuation on deferred tax asset, and Preferred stock discount and dividend accretion: □

| | | | | |
|--|---------|------------|-----------|------------|
| Net income (loss) | \$2,703 | \$(11,740) | \$(4,956) | \$(37,259) |
| Diluted earnings (loss) per share | \$0.07 | \$(0.31) | \$(0.13) | \$(1.15) |
| Weighted average shares outstanding - diluted | 41,051 | 37,438 | 38,476 | 32,308 |

Supplemental information - Reconciliation of net income (loss) to pro forma net income (loss)

| | Three Months Ended | | Twelve Months Ended | |
|--|--------------------|------------------|---------------------|------------------|
| | June 30, 2003 | June 30, 2002 | June 30, 2003 | June 30, 2002 |
| Net income (loss) | \$ (18,202) | \$ (59,964) | \$ (170,017) | \$ (83,466) |
| Adjustments to net loss: | | | | |
| Restructuring and other charges | 18,533 | 13,941 | 155,877 | 16,083 |
| Charge for in-process research and development | - | 14,900 | - | 14,900 |
| Write-off of investment | - | 8,923 | - | 8,923 |
| Valuation on deferred tax asset | - | 8,299 | - | - |
| Preferred stock discount and dividend accretion | 2,372 | 2,161 | 9,184 | 6,301 |
| Pro forma net income (loss) | \$2,703 | \$(11,740) | \$(4,956) | \$(37,259) |

ASPEN TECHNOLOGY, INC.
CONSOLIDATED CONDENSED BALANCE SHEETS
(in thousands)

| | June 30, 2003 | June 30, 2002 |
|--|------------------|------------------|
| ASSETS □ | | |
| Current assets: | | |
| Cash, cash equivalents and short-term investments | \$51,567 | \$52,120 |
| Accounts receivable, net | 77,725 | 95,418 |
| Unbilled services | 15,279 | 30,569 |

| | | |
|---|-----------|-----------|
| Current portion of long-term installments receivable, net | 34,720 | 40,404 |
| Deferred tax asset | 2,929 | 2,929 |
| Prepaid expenses and other current assets | 11,581 | 18,699 |
| | ----- | ----- |
| Total current assets | 193,801 | 240,139 |
| | ----- | ----- |
| Long-term installments receivable, net | 73,377 | 68,318 |
| Equipment and leasehold improvements, net | 31,158 | 50,803 |
| Computer software development costs, net | 17,728 | 13,810 |
| Intangible assets, net | 41,279 | 125,363 |
| Purchased intellectual property, net | 1,861 | 27,626 |
| Deferred tax asset | 15,576 | 15,576 |
| Other assets | 5,445 | 6,708 |
| | ----- | ----- |
| Total assets | \$380,225 | \$548,343 |
| | ===== | ===== |

LIABILITIES AND STOCKHOLDERS' EQUITY

Current liabilities:

| | | |
|---|-----------|-----------|
| Current portion of long-term debt | \$3,849 | \$5,334 |
| Amount owed to Accenture | 2,667 | 11,100 |
| Accounts payable and accrued expenses | 83,839 | 87,978 |
| Unearned revenue | 20,492 | 20,983 |
| Deferred revenue | 37,266 | 38,624 |
| | ----- | ----- |
| Total current liabilities | 148,113 | 164,019 |
| | ----- | ----- |
| Long-term debt, less current maturities | 89,911 | 92,135 |
| Obligation subject to common stock settlement | 5,495 | 1,810 |
| Deferred revenue, less current portion | 9,815 | 9,548 |
| Deferred tax liability | 13,258 | 15,003 |
| Other liabilities | 16,009 | 12,040 |
| | ----- | ----- |
| Preferred stock | 57,537 | - |
| Total stockholders' equity | 40,087 | 253,788 |
| | ----- | ----- |
| Total liabilities and stockholders' equity | \$380,225 | \$548,343 |
| | ===== | ===== |

CONTACT:

Aspen Technology, Inc.

For Investors:

Joshua Young, 617-949-1274

joshua.young@aspentech.com

For Media:

Peter Watt

+44 1223 819-752

peter.watt@aspentech.com