



## Aspen Technology Reports Solid Engineering Business Performance, Lower Expenses in First Quarter Fiscal 2003

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### ***Company Expects Breakeven Operations in Current Period, Profit in March Quarter***

Aspen Technology, Inc. (Nasdaq: AZPN) today reported financial results for its first quarter ending September 30, 2002.

(Photo: <http://www.newscom.com/cgi-bin/prnh/20000811/ASPENLOGO> )

Total revenues for the first quarter were \$77.3 million, with license revenues totaling \$29.7 million and services revenues totaling \$47.6 million. The company reported a net loss of \$10.7 million, or \$0.28 per share. The company's first quarter net loss applicable to common stockholders was \$13.0 million, or \$0.34 per share, after accounting for the accretion of the preferred stock discount and dividend.

"Our new organization, which is focused around our two major product lines, has helped to streamline our operations and will set the foundation for improved efficiency in the coming quarters," said David McQuillin, President and CEO of AspenTech. "We achieved our expense reduction targets across the company, cutting spending to \$88 million in the first quarter. Our Engineering business hit our revenue targets and was profitable in the quarter. However, our Manufacturing/Supply Chain business fell short and did not meet our expectations. While we saw solid results from our foundation products, demand for our integrated, enterprise products continued to be weak.

"As a result, we are realigning our expenses within the Manufacturing/Supply Chain business to focus on near-term opportunities. These actions are intended to restore the Manufacturing/Supply Chain business, and AspenTech as a whole, to profitability in the third quarter of fiscal 2003. Since we will only achieve a partial quarter of benefits in the current quarter, our target is to break even for the three months ending December 31, 2002."

For the second quarter, AspenTech expects expenses, including cost of revenues, will total approximately \$80-82 million, approximately 19% below fourth quarter fiscal 2002 levels if Hyprotech were included for a full quarter. Based on its recently implemented reductions, the company expects its number of employees will total approximately 1,750 at December 31, 2002, down from approximately 2,150 at September 30, 2002.

"We are looking forward to AspenWorld, our global process industry conference that kicks off next week, as this gathering of customers and prospects has traditionally been an important catalyst for our software sales. I am excited about the solutions we will be showcasing and the opportunities to enhance key customer relationships," added McQuillin.

During the first quarter of fiscal 2003, AspenTech signed nine license transactions of approximately \$1 million or more, up from three in the first quarter of fiscal 2002. The company signed substantial license agreements in the quarter with Aventis, Conoco, Jacobs Engineering, Praxair and SINOPEC.

As previously announced, the company will be holding a conference call to discuss its financial results, business outlook, and related corporate and financial matters at 4:45 p.m. EST on Thursday, October 24, 2002. 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 ten days and will also be available via telephone beginning at 8:00 p.m. EST on October 24, 2002, by dialing 719-457- 0820 and entering in confirmation code 643085.

### 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, incorporating 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, to production in the plant, to the delivery of 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 and Unilever. For more information, visit [www.aspentech.com](http://www.aspentech.com).

The headline and the fourth and fifth 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; fluctuations in AspenTech's quarterly operating results; AspenTech's dependence on customers in the cyclical chemicals, petrochemicals and petroleum industries; AspenTech's need to hire additional qualified personnel and its dependence on key current employees; intense competition; AspenTech's dependence on systems integrators and other 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.

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

	September 30, 2002	June 30, 2002
ASSETS		
Current assets:		
Cash, cash equivalents and short-term investments	\$47,894	\$52,120
Accounts receivable and unbilled services, net	102,609	125,987
Current portion of long-term installments receivable, net	41,869	40,404
Deferred tax asset	2,929	2,929
Prepaid expenses and other current assets	18,268	18,699
Total current assets	213,569	240,139
Long-term installments receivable, net	68,496	68,318
Equipment and leasehold improvements, net	49,244	50,803
Computer software development costs, net	16,640	13,810
Intangible assets, net	122,869	125,363
Purchased intellectual property, net	26,147	27,626
Deferred tax asset	15,576	15,576
Other assets	7,380	6,708
Total assets	\$519,921	\$548,343
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Current portion of long-term debt	\$4,983	\$5,334
Amount owed to Accenture	10,150	11,100
Accounts payable and accrued expenses	78,709	94,987
Unearned revenue	18,130	20,983
Deferred revenue	39,257	38,624
Total current liabilities	151,229	171,028
Long-term debt, less current maturities	91,016	92,135
Obligation subject to common stock settlement	3,278	1,810
Deferred revenue, less current portion	7,332	9,548
Deferred tax liability	14,404	15,003

Other liabilities	4,450	5,031
Total stockholders' equity	248,212	253,788
Total liabilities and stockholders' equity	\$519,921	\$548,343

ASPEN TECHNOLOGY, INC.  
CONSOLIDATED CONDENSED STATEMENTS OF OPERATIONS  
(Dollars in thousands, except per share data)

	Three Months Ended	
	September 30, 2002	September 30, 2001
REVENUES: □		
Software licenses	\$29,646	\$19,231
Services	47,604	46,960
Total revenues	77,250	66,191
EXPENSES: □		
Cost of software licenses	3,335	2,444
Cost of services	28,008	30,142
Selling and marketing	29,154	26,624
Research and development	17,745	17,999
General and administrative	9,821	7,422
Restructuring charge	-	2,642
Total costs and expenses	88,063	87,273
Income (loss) from operations	(10,813)	(21,082)
Other income (expense), net	(501)	(184)
Interest income, net	581	753
Income (loss) before provision for (benefit from) income taxes	(10,733)	(20,513)
Provision for (benefit from) income taxes	-	(6,154)
Net income (loss)	(10,733)	(14,359)
Accretion of preferred stock discount and dividend	(2,234)	-
Net income (loss) applicable to common stockholders	\$(12,967)	\$(14,359)
Basic and diluted earnings (loss) per share:		
Net income (loss) per share	\$(0.28)	\$(0.45)
Accretion of preferred stock discount and dividend	(0.06)	-
Net income (loss) per share applicable to common stockholders	\$(0.34)	\$(0.45)
Weighted average shares outstanding - basic and diluted	37,994	31,760
Pro Forma before Restructuring Charge and Preferred Stock Discount and Dividend Accretion:		

Net income (loss)	\$ (10,733)	\$ (12,510)
Diluted earnings (loss) per share	\$ (0.28)	\$ (0.39)

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

	Three Months Ended	
	September 30, 2002	September 30, 2001
Net income (loss)	\$ (12,967)	\$ (14,359)
Adjustments to net loss:		
Restructuring charge, net of tax effect	-	1,849
Preferred stock discount and dividend accretion	2,234	-
Pro forma net income (loss)	\$ (10,733)	\$ (12,510)

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