

SECURITIES AND EXCHANGE COMMISSION

WASHINGTON, DC 20549

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FORM 8-K

CURRENT REPORT  
PURSUANT TO SECTION 13 OR 15(d) OF THE  
SECURITIES EXCHANGE ACT OF 1934

Date of report (Date of earliest event reported)      January 28, 1997  
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Aspen Technology, Inc.

-----  
(EXACT NAME OF REGISTRANT AS SPECIFIED IN ITS CHARTER)

Massachusetts	0-24786	04-2739697
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(STATE OR OTHER JURISDICTION OF INCORPORATION)	(COMMISSION FILE NUMBER)	(IRS EMPLOYER IDENTIFICATION NO.)

Ten Canal Park, Cambridge, Massachusetts	02141
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(ADDRESS OF PRINCIPAL EXECUTIVE OFFICES)	(ZIP CODE)

Registrant's telephone number, including area code      (617) 577-0100  
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Not Applicable

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(FORMER NAME OR FORMER ADDRESS, IF CHANGED SINCE LAST REPORT)

## ITEM 5. OTHER EVENTS.

On January 28, 1997, Aspen Technology, Inc. issued press releases containing (a) information regarding a two-for-one stock split to be effected by a stock dividend and (b) certain financial information for its three and six months ended December 31, 1996. Copies of the January 28, 1997 press releases are filed as Exhibits 5.1 and 5.2 to this Current Report and are incorporated herein by reference.

## ITEM 7. FINANCIAL STATEMENTS, PRO FORMA FINANCIAL INFORMATION AND EXHIBITS.

## (a) Financial Statements of Business Acquired.

Not applicable.

## (b) Pro Forma Financial Information.

Not applicable.

## (c) Exhibits.

EXHIBIT NUMBER -----	DESCRIPTION -----
5.1	Press release of Aspen Technology, Inc. issued January 28, 1997 regarding stock split
5.2	Press release of Aspen Technology, Inc. issued January 28, 1997 regarding financial results

SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

ASPEN TECHNOLOGY, INC.

Date: January 27, 1997

By: /s/ MARY A. PALERMO

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Mary A. Palermo  
Senior Vice President, Finance and  
Chief Financial Officer

## EXHIBIT INDEX

EXHIBIT NUMBER - - - - -	DESCRIPTION - - - - -	PAGE NUMBER IN SEQUENTIALLY NUMBERED COPY - - - - -
5.1	Press release of Aspen Technology, Inc. issued January 28, 1997 regarding stock split	
5.2	Press release of Aspen Technology, Inc. issued January 28, 1997 regarding financial results	

## ASPEN TECHNOLOGY ANNOUNCES TWO-FOR-ONE STOCK SPLIT

CAMBRIDGE, MA., January 28, 1997 -- Aspen Technology, Inc. (NASDAQ:AZPN), today announced that its Board of Directors has approved a two-for-one stock split of the Company's outstanding shares of common stock. AspenTech is a leading supplier of computer-aided chemical engineering, on-line automation, and process information management software and services to help process manufacturers operate closer to potential through the entire manufacturing lifecycle. The split will be effected by way of a stock dividend and will entitle each stockholder of record as of February 14, 1997 to receive one additional share for each outstanding share of common stock held on the record date. The stock split will be effective as of February 28, 1997. Upon completion of the split, the number of shares of AspenTech common stock outstanding will be approximately 19.7 million.

Separately, AspenTech today released financial results for its 1997 second fiscal quarter and six months ended December 31, 1996. Total revenues increased 146% over fiscal 1996 second quarter levels, in part as a result of several acquisitions that occurred subsequent to the Company's last year's second quarter and were accounted for as purchase transactions. Net income, excluding one-time charges relating to an acquisition completed during the 1997 second quarter, increased 131% to \$5.0 million, or \$0.48 per share versus \$0.25 per share in the 1996 fiscal second quarter.

Aspen Technology, Inc. is a leading supplier of software and services for the analysis, design and automation of process manufacturing plants in industries such as chemical, petroleum, pharmaceuticals, electric power, pulp and paper, and metals. Process manufacturers use AspenTech's solutions to improve the way they design, operate, and manage their plants. These solutions enable customers to reduce their raw material, energy, and capital expenses, meet environmental and safety regulations, improve product quality, and shorten the time required to get new production processes on stream. AspenTech is headquartered in Cambridge, Massachusetts, with offices in 12 countries worldwide. AspenTech and the AspenTech logo are USPTO registered trademarks of Aspen Technology, Inc.

ASPEN TECHNOLOGY ANNOUNCES RECORD SECOND QUARTER RESULTS  
Revenues Increase 146%; EPS Up 92%

CAMBRIDGE, MA., January 28, 1997 -- Aspen Technology, Inc. (NASDAQ:AZPN), a leading supplier of simulation and automation software and services to the process manufacturing industries, today announced record results for the second quarter and first six months of fiscal 1997. Total revenues increased for the second quarter of 1997 146% to \$44.2 million, compared with \$17.9 million in the second quarter of fiscal 1996. For the three months ended December 31, 1996, license revenue grew 71% to \$23.9 million, while services revenue rose more than fourfold to \$20.3 million. Excluding one-time charges for in process research and development costs relating to the previously announced acquisitions during the second quarter of the Process Control division of Cambridge Controls Limited and Bechtel Corporation's PIMS (Process Industries Modeling System) business, net income for the 1997 second quarter increased 131% to \$5.0 million from \$2.2 million for the comparable period last year. Excluding one-time charges, earnings per share grew 92% to \$0.48 from \$0.25 for the second quarter for fiscal 1996, despite a 23% increase in weighted average shares outstanding. Reported net loss and net loss per share, including the \$7.0 million one-time after tax charge, were \$2.0 million and \$0.20 per share. Fiscal 1997 second quarter results include contributions from DMC Corp. and Setpoint, Inc., two businesses that were acquired in the third quarter of fiscal 1996 and accounted for as purchase transactions, and also results from the acquisitions of B-JAC International and the Process Control division of Cambridge Controls Limited, in October of 1996.

For the six months ended December 31, 1996, total revenues grew 153% to \$79.1 million from \$31.2 million for the comparable period of fiscal 1996. Excluding one-time charges, net income rose 138% to \$6.4 million for the first half of fiscal 1997, and earnings per share totaled \$0.62. In a separate release today, AspenTech announced it would effect a two-for-one stock split on February 28, 1997 for holders of record as of February 14, 1997. Upon completion of the split, AspenTech will have approximately 19.7 million shares outstanding.

PRO FORMA INCOME STATEMENT DATA EXCLUDING  
CHARGE FOR IN-PROCESS RESEARCH AND DEVELOPMENT:  
(in thousands, except per share amounts)

	Three Months Ended December 31,	
	1996	1995
	----	----
Revenues		
Software license	\$23,928	\$13,980
Services and other	20,273	3,960
	-----	-----
Total	44,201	17,940
Operating income	6,896	2,651
Net income	\$ 5,003	\$ 2,162
	=====	=====
Earnings per share	\$ 0.48	\$ 0.25
Weighted average shares outstanding	10,506	8,530

PRO FORMA INCOME STATEMENT DATA EXCLUDING  
CHARGE FOR IN-PROCESS RESEARCH AND DEVELOPMENT:  
(in thousands, except per share amounts)

	Six Months Ended December 31,	
	1996	1995
	----	----
Revenues		
Software license	\$40,059	\$23,907
Services and other	39,010	7,302
	-----	-----
Total	79,069	31,209
Operating income	7,848	2,704
Net income	\$ 6,413	\$ 2,700
	=====	=====
Earnings per share	\$ 0.62	\$ 0.32
Weighted average shares outstanding	10,398	8,507

"We were very successful in achieving our goals in the second quarter," commented Larry Evans, Chairman and Chief Executive Officer. "We met aggressive targets for revenue growth and profitability, and we are very pleased with the continued strong market reception to our off-line and on-line product and

services offerings. The second quarter showed strength both domestically and outside the United States, especially in Europe."

"The second quarter was a busy and productive one for AspenTech," observed Mary Palermo, Chief Financial Officer. "We were especially pleased with the leverage we achieved, as evidenced by the year-over-year operating margin improvement in the second quarter, in spite of a significantly higher percentage of services revenues." Operating margin increased to 15.6% for the second quarter of fiscal 1997, excluding one-time charges, an improvement from 14.8% in the second quarter last year. Services revenues comprised 46% of total revenues in the second quarter of fiscal 1997, compared with 22% in last year's second quarter.

This press release contains forward-looking statements that involve a number of risks and uncertainties. Important factors that could cause actual results to differ materially from those indicated by such forward-looking statements include the risks set forth under the caption "Risk Factors" in

Aspen Technology's Annual Report on Form 10-K for the fiscal year ended June 30, 1996, which factors are incorporated herein by reference.

Aspen Technology, Inc. is a leading supplier of software and services for the analysis, design and automation of process manufacturing plants in industries such as chemical, petroleum, pharmaceuticals, electric power, pulp and paper, and metals. Process manufacturers use AspenTech's solutions to improve the way they design, operate, and manage their plants. These solutions enable customers to reduce their raw material, energy, and capital expenses, meet environmental and safety regulations, improve product quality, and shorten the time required to get new production processes on stream. AspenTech is headquartered in Cambridge, Massachusetts, with offices in 12 countries worldwide. AspenTech, Setpoint, DMCC and the AspenTech logo are USPTO registered trademarks of Aspen Technology, Inc.



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

	Three Months Ended		Six Months Ended	
	December 31, 1996	December 31, 1995	December 31, 1996	December 31, 1995
	-----	-----	-----	-----
<b>REVENUES:</b>				
Software licenses	\$ 23,928	\$ 13,980	\$ 40,059	\$ 23,907
Maintenance and other services	20,273	3,960	39,010	7,302
	-----	-----	-----	-----
Total revenues	44,201	17,940	79,069	31,209
	-----	-----	-----	-----
<b>EXPENSES:</b>				
Cost of software licenses	1,268	972	2,084	1,563
Cost of maintenance and other services	11,984	2,140	23,113	3,987
Selling and marketing	12,953	7,071	24,239	13,104
Research and development	7,141	3,731	14,105	7,188
General and administrative	3,959	1,375	7,680	2,663
Charge for in-process research and development	8,664	--	8,664	--
	-----	-----	-----	-----
Total costs and expenses	45,969	15,289	79,885	28,505
	-----	-----	-----	-----
Income (loss) from operations	(1,768)	2,651	(816)	2,704
Other expense, net	(88)	(17)	(110)	(73)
Interest income, net	1,236	877	2,581	1,747
	-----	-----	-----	-----
Income (loss) before provision for income taxes	(620)	3,511	1,655	4,378
Provision for income taxes	1,341	1,349	2,206	1,678
	-----	-----	-----	-----
Net income (loss)	\$ (1,961)	\$ 2,162	\$ (551)	\$ 2,700
	=====	=====	=====	=====
Net income (loss) per common and common equivalent share	\$ (0.20)	\$ 0.25	\$ (0.06)	\$ 0.32
	=====	=====	=====	=====
Weighted average common and common equivalent shares outstanding	9,764,602	8,529,545	9,693,286	8,507,247
	=====	=====	=====	=====
<b>PRO FORMA EXCLUDING CHARGE FOR IN-PROCESS RESEARCH AND DEVELOPMENT:</b>				
Operating income	6,896	2,651	7,848	2,704
Net income	5,003	2,162	6,413	2,700
	=====	=====	=====	=====
Net income per common and common equivalent share	\$ 0.48	\$ 0.25	\$ 0.62	\$ 0.32
	=====	=====	=====	=====
Weighted average common and common equivalent shares outstanding	10,505,787	8,529,545	10,397,958	8,507,247
	=====	=====	=====	=====

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

	December 31, 1996	June 30, 1996
	-----	-----
<b>ASSETS</b>		
Current Assets:		
Cash, cash equivalents and short-term investments	\$ 35,273	\$ 51,083
Accounts receivable and unbilled services, net	53,735	45,640
Current portion of long-term installments receivable, net	10,060	12,068
Prepaid expenses and other current assets	4,338	3,318
	-----	-----
Total current assets	103,406	112,109
Long-term installments receivable, net	19,865	17,708
Equipment and leasehold improvements, net	22,753	16,815
Computer software development costs, net	2,210	1,817
Intangible assets, net	13,972	9,129
Other assets	3,003	2,589
	-----	-----
Total assets	\$165,209	\$160,167
	=====	=====
<b>LIABILITIES AND STOCKHOLDERS' EQUITY</b>		
Current liabilities:		
Current portion of long-term debt	\$ 408	\$ 425
Accounts payable and accrued expenses	21,970	22,049
Unearned revenue	7,584	8,967
Deferred revenue	9,215	8,953
Deferred income taxes	2,988	2,798
	-----	-----
Total current liabilities	42,165	43,192
	-----	-----
Long-term debt, less current maturities	619	706
Deferred revenue, less current portion	8,780	8,279
Other liabilities	1,169	1,757
Deferred income taxes	4,698	6,398
	-----	-----
Total stockholders' equity	107,778	99,835
	-----	-----
Total liabilities and stockholders' equity	\$165,209	\$160,167
	=====	=====