

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549**

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): **October 6, 2004**

ASPEN TECHNOLOGY, INC.

(Exact Name of Registrant as Specified in Charter)

Delaware
(State or Other Jurisdiction of Incorporation)

0-24786
(Commission File Number)

04-2739697
(IRS Employer Identification No.)

Ten Canal Park, Cambridge MA
(Address of Principal Executive Offices)

02141
(Zip Code)

Registrant's telephone number, including area code: **(617) 949-1000**

(Former Name or Former Address, if Changed Since Last Report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (see General Instruction A.2. below):

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Item 1.01. Entry into a Material Definitive Agreement

On October 6, 2004, we, together with our subsidiaries Hyprotech Company, AspenTech Canada Ltd., AspenTech Ltd., and Hyprotech UK Ltd., entered into a purchase and sale agreement with Honeywell International Inc., Honeywell Control Systems Limited and Honeywell Limited-Honeywell Limitee relating to the sale of our operator training business and the intellectual property to our Hyprotech engineering products and our retention of a license to the Hyprotech engineering products. The transactions contemplated by the purchase and sale agreement are subject to approval by the Federal Trade Commission after a 30-day public comment period.

The material terms of the purchase and sale agreement are included in our press release, dated October 6, 2004, which is attached as Exhibit 99.1 to this Current Report on Form 8-K and is incorporated in this Item by reference.

Item 2.02 Results of Operations and Financial Condition

On October 6, 2004, we also announced our preliminary financial results for the fiscal quarter ended September 30, 2004. The full text of the press release issued in connection with this announcement is attached as Exhibit 99.2 to this Current Report on Form 8-K.

The information in this Current Report on Form 8-K (including Exhibit 99.2) shall not be deemed "filed" for the purposes of Section 18 of the Securities Exchange Act of 1934 or otherwise subject to the liabilities of that section, nor shall it be deemed incorporated by reference in any filing under the Securities Act of 1933 or the Securities Exchange Act of 1934 except as expressly set forth by specific reference in such a filing.

Item 9.01. Financial Statements and Exhibits

- (c) Exhibits

See Exhibit Index attached hereto.

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: October 6, 2004

By: /s/ Charles F. Kane
Charles F. Kane Senior Vice President — Finance and Chief Financial Officer

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EXHIBIT INDEX

Exhibit No.	Description
99.1	Press Release issued by Aspen Technology, Inc. on October 6, 2004, relating to the purchase and sale agreement.
99.2	Press Release issued by Aspen Technology on October 6, 2004 relating to preliminary financial results.

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Aspen Technology Signs Definitive Transaction with Honeywell as Part of Settlement with the Federal Trade Commission

AspenTech to retain rights to Hyprotech technology; transaction subject to 30-day public comment period

CAMBRIDGE, MA—October 6, 2004 — Aspen Technology, Inc. (Nasdaq: AZPN), a leading provider of process industry enterprise operations management solutions, has signed a definitive agreement to sell its operator training business and ownership of the intellectual property to its Hyprotech engineering products to Honeywell International. The transaction, which is subject to approval by the Federal Trade Commission (FTC) after a 30-day public comment period, would resolve the company's dispute with the FTC in its entirety, and enable AspenTech to continue to market, sell and develop Hyprotech's technologies, with the exception of the AXSYS product line, which was recently divested to Bentley Systems.

As part of the sale of the Hyprotech source code to Honeywell, AspenTech will retain a perpetual, worldwide, royalty-free license to the entire Hyprotech engineering software product line, and will have the right to continue to develop and sell Hyprotech products. AspenTech's customer licenses for its HYSYS and related products, and the Aspen RefSYS™ and Aspen Oil & Gas™ solutions, will not be transferred.

The terms of the transaction provide for a \$6 million cash payment by Honeywell to AspenTech in consideration of a transfer of ownership of the intellectual property of the Hyprotech products, and its operator training business. Honeywell will assume \$4 million of accounts receivable from AspenTech as part of the transaction. Additional terms include 1) a retention of the existing Hyprotech business and a license to the Hyprotech products by AspenTech that provides for the continuation of its rights to market, sell and develop Hyprotech products, 2) a three-year agreement not to compete in operator training services by AspenTech, and 3) a two-year support agreement under which AspenTech will provide Honeywell with source code to its new releases of the Hyprotech products transferred.

"We are extremely pleased that this transaction will allow us to fully resolve our litigation with the FTC," said David McQuillin, President and CEO, AspenTech. "This is a win-win solution for all parties involved. The FTC resolves its complaint, AspenTech is able to continue marketing, selling and developing all of its existing and planned engineering

software products, with the exception of those used exclusively in the operator training business, and customers will receive the high level of products, services, support and innovation they have come to expect from AspenTech.

"By putting the FTC complaint behind us, customers will be able to continue to invest confidently in our integrated solutions for the enterprise operations management market. Our ability to provide broad solutions for the engineering, plant operations, and supply chain business processes that underpin their operations differentiates us in the industry and enables us to provide real-time data to forecast and simulate the economic impact of operational decisions."

Honeywell and AspenTech expect the transaction contemplated by this agreement to be closed within 60 days of the signing of the definitive agreement.

Conference Call and Webcast

The company will hold a conference call and webcast to discuss these preliminary results, as well as the pending resolution of the FTC proceeding, tomorrow morning at 8:30 a.m. EDT. Interested parties may listen to the live call by dialing (877) 239-3024 or 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 available on AspenTech's website and will also be available for 48 hours via telephonic replay, beginning at 11:00 a.m. EDT tomorrow, and can be accessed by dialing (800) 642-1687, and entering confirmation code 1394279.

About AspenTech

Aspen Technology, Inc. provides industry-leading software and implementation services that enable process companies to increase efficiency and profitability. AspenTech's engineering product line is used to design and improve plants and processes, maximizing returns throughout an asset's operating life. Its manufacturing/supply chain product line allows companies to increase margins in their plants and supply chains, by managing customer demand, optimizing production, and streamlining the delivery of finished products. These two offerings are combined to create solutions for enterprise operations management (EOM), integrated enterprise-wide systems that provide process manufacturers with the capability to dramatically improve their operating performance. Over 1,500 leading companies already rely on AspenTech's software, including Aventis, Bayer, BASF, BP, ChevronTexaco, Dow Chemical, DuPont, ExxonMobil, Fluor, GlaxoSmithKline, Shell, and Total. For more information, visit www.aspentech.com.

Certain paragraphs of this press release contain 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 cyclical industries; adverse global economic conditions; AspenTech's ability to raise additional capital as required; the FTC's investigation of the Hyprotech acquisition; the outcome of AspenTech's restructuring plans; intense competition; AspenTech's need to develop and market products successfully; 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.

**Aspen Technology Estimates Fiscal 2005
First Quarter Financial Results**

Cambridge, MA—October 6, 2004—Aspen Technology, Inc. (Nasdaq: AZPN) today announced that, based upon preliminary data, it expects to report, under generally accepted accounting principles in the United States or GAAP, total revenues of approximately \$66.0 million, including approximately \$27.5 million in software license revenues, for the first quarter of fiscal 2005. Total expenses are expected to be approximately \$69.0 million. Excluding amortization of intangible assets, the preferred stock dividend and discount accretion, and \$18 million in restructuring and legal charges, the company now expects to report a (non-GAAP) net loss per share for the quarter of \$0.02 to \$0.04. Approximately \$13 million of the restructuring charge relates to the reduction of excess leased facilities, which is expected to reduce the company's quarterly expenses by approximately \$1.0 million. The company expects to report a GAAP loss in the first quarter that will range between \$0.59 and \$0.65 per share.

In a conference call on August 4, 2004, the company had estimated first quarter total revenues under GAAP to total between \$72 and \$74 million, including software license revenues of between \$31 million and \$33 million. Additionally, total expenses under GAAP were projected to be between \$69 million and \$70 million under GAAP and (non-GAAP) earnings per share were forecasted to be between \$0.02 and \$0.04.

"We are very disappointed with our first quarter results," said David McQuillin, President and CEO of AspenTech. "Our performance was negatively impacted by the distraction caused by the ongoing uncertainty of the FTC proceeding, which was more pronounced than we had anticipated in the quarter. Additionally, we were unable to close several large, manufacturing/supply chain deals at the end of our seasonally weak first quarter.

"Looking ahead, we remain excited about the opportunity available to Aspen Tech in fiscal 2005 and beyond. The fundamentals of our business remain solid, we have a stable financial profile, and we have the broadest and deepest product suite in the process manufacturing sector. With the FTC proceeding now behind us (as disclosed in a separate press release issued today), we are optimistic that confusion in the marketplace will be eliminated, sales cycles will return to historical levels, and our close rates will improve over the course of the next several quarters. We are increasingly confident that our Enterprise

Operations Management vision and solutions are being well received by customers, and we plan on building on this momentum next week at our AspenWorld conference."

AspenTech expects to report final results for the first quarter of 2005 on October 28, 2004, following the close of the Nasdaq stock market.

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The company will hold a conference call and webcast to discuss these preliminary results, as well as the pending resolution of the FTC proceeding, tomorrow morning at 8:30 a.m. EDT. Interested parties may listen to the live call by dialing (877) 239-3024 or 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 available on AspenTech's website and will also be available for 48 hours via telephonic replay, beginning at 11:00 a.m. EDT tomorrow, and can be accessed by dialing (800) 642-1687, and entering confirmation code 1394279.

Pro Forma (non-GAAP) 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 preliminary reconciliation of pro forma to GAAP is included in the attached table.

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dramatically improve their operating performance. Over 1,500 leading companies already rely on AspenTech's software, including Aventis, Bayer, BASF, BP, ChevronTexaco, Dow Chemical, DuPont, ExxonMobil, Fluor, Foster Wheeler, GlaxoSmithKline, Shell, and Total. For more information, visit www.aspentech.com.

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Contact:

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Reconciliation of pro forma (non-GAAP) net income (loss) to net income (loss)

	Three Months Ended September 30, 2004	
	High	Low
Pro forma (non-GAAP) net income (loss)	\$ (1,500)	\$ (3,800)
Pro forma (non-GAAP) net income (loss) per share	\$ (0.02)	\$ (0.04)
Pro forma weighted average shares outstanding (2)	86,600	86,600
Adjustments to pro forma (non-GAAP) net income (loss)		
Amortization of technology related intangible assets	(1,800)	(1,800)
Preferred stock discount and dividend accretion	(3,500)	(3,500)
Restructuring and litigation settlement charges(1)	(18,000)	(18,000)
Net income (loss) applicable to common stockholders	\$ (24,800)	\$ (27,100)
Net income (loss) per share applicable to common stockholders	\$ (0.59)	\$ (0.65)
Weighted average shares outstanding (2)	41,800	41,800

(1) *Restructuring and litigation settlement charges include approximately \$13 million of facility-related charges.*

(2) *Pro forma weighted average shares outstanding include outstanding common shares, and the dilutive effect of the Series D preferred stock, outstanding warrants and outstanding stock options. For GAAP purposes, weighted average shares outstanding include only the outstanding common shares.*