

HYPERION REPORTS RECORD FISCAL THIRD QUARTER RESULTS

Submitted by: Object Marketing

Thursday, 22 April 2004

Broad-Based Product Demand Drives 31% Revenue Growth

SUNNYVALE, Calif., April 21, 2004 – Hyperion (Nasdaq: HYSL), the leading provider of Business Performance Management software, today announced record financial results for its fiscal third quarter ended March 31, 2004.

Total revenues for the quarter increased 31% to \$166.1 million, compared to \$126.6 million for the same period a year ago. Software license revenue increased 29% to \$65.1 million, compared to \$50.4 million for the same period a year ago, while maintenance and services revenue grew 33% to \$101.0 million, compared to \$76.1 million in the year-ago period.

The company's third-quarter net income, as reported in accordance with U.S. generally accepted accounting principles (GAAP), increased 54% to \$12.7 million, or \$0.32 per diluted share, compared to net income of \$8.3 million, or \$0.23 per diluted share, for the third quarter of fiscal 2003.

Third quarter non-GAAP pro forma net income was \$14.9 million, or \$0.37 per diluted share, excluding the impact of charges, net of related tax, for deferred revenue write-downs, the amortization of purchased intangibles, deferred stock-based compensation, and restructuring costs.

Hyperion's balance sheet reflects cash and short-term investments totaling \$338.7 million at March 31, 2004. This compares to \$314.5 million in cash and short-term investments at December 31, 2003. Cash flow from operations for the quarter was \$38.2 million. The company used cash of \$33.0 million to repurchase stock during the quarter, completing its \$125 million stock repurchase program announced in July 2003. Days sales outstanding (DSO) improved eight days sequentially to 62 days.

"We're pleased to have delivered the best revenues in our company's history, with a pro forma operating margin of nearly 14% and the highest net income since the June quarter of 1998," said Jeffrey R. Rodek, Hyperion's chairman and chief executive officer. "Broad-based product demand across our three geographic regions helped drive 29% license revenue growth over the same quarter last year. Sales of our core Hyperion Essbase platform and Hyperion Performance Suite each grew sequentially and year-over-year and brought us into transactions with many new customers. Our financial applications had another quarter of solid growth. We closed a record-breaking 20 transactions greater than \$500,000, as customers increasingly recognize the value of deploying our BPM and BI solutions on an enterprise scale.

"In addition to our positive financial results, we began shipping several new product releases during the quarter, including Performance Suite 8.2, part of our new and strengthened Business Intelligence Platform," added Rodek. "Whether a company purchases a single product or an entire solution, customers are increasingly implementing our Business Performance Management vision. We're working hard to build on this momentum with on-going product innovation."

Non-GAAP Financial Measures

In analyzing its financial results, Hyperion has used non-GAAP pro forma financial measures (excluding adjustments, such as those relating to purchase accounting and restructuring costs) because they provide meaningful information regarding the company's operational performance that excludes certain non-cash and non-recurring expenses. They also facilitate management's internal comparisons to the company's historical operating results and to competitors' operating results. Wherever non-GAAP disclosures have

been included in this press release, the company has reconciled them to the appropriate GAAP disclosures.

The non-GAAP financial measures are not prepared in accordance with generally accepted accounting principles and may be different from non-GAAP financial measures used by other companies. Non-GAAP results should not be considered in isolation from, or as a substitute for, financial information prepared in accordance with GAAP.

Reconciliation of GAAP to Pro Forma Q3 FY04 Earnings

Q3 FY04 GAAP Earnings \$0.32

Plus:

Deferred maintenance revenue adjustment 0.01

Amortization of intangibles 0.05

Amortization of deferred stock-based compensation 0.02

Less: Income tax effect of pro forma adjustments (0.03)

Q3 FY04 Non-GAAP Pro Forma Earnings \$0.37

Business Outlook

Hyperion also reported today its outlook for the fourth quarter of fiscal 2004. On a GAAP basis, the company currently expects total revenues in the range of \$167 million to \$171 million and diluted earnings per share in the range of \$0.29 to \$0.34. This outlook assumes an effective tax rate of 37% and diluted shares outstanding of 41.2 million.

Excluding the purchase accounting impact on deferred maintenance revenue and the impact of the amortization of intangible assets and deferred stock-based compensation, the company expects diluted earnings per share on a non-GAAP pro forma basis for the June quarter in the range of \$0.36 to \$0.41.

Reconciliation of GAAP to Pro Forma Business Outlook

Projected Q4 FY04 GAAP Earnings \$0.29-\$0.34

Plus:

Deferred maintenance revenue adjustment \$0.01

Amortization of intangibles \$0.05

Amortization of deferred stock-based compensation \$0.05

Less: Income tax effect of pro forma adjustments (0.04)

Projected Q4 FY04 Non-GAAP Pro Forma Earnings \$0.36 – 0.41

Other Recent Developments

Hyperion has reported several major developments since its last earnings announcement in January 2004. The company won major customer contracts at Bank of China (Hong Kong), British American Tobacco (United Kingdom), CNH Global, Fiat Gesco (Italy), Follett Corporation, Highmark, Metso Oyj (Finland), Par Pharmaceutical, Poste Italiane (Italy), R.H. Donnelley, Rohm and Haas, Shire Pharmaceuticals Group

(United Kingdom), SouthTrust Bank, and United Technologies Corporation.

<sum> Customers from more than 40 organizations are responding enthusiastically to the beta version of Hyperion Essbase Aggregate Storage Option, code-named Project Ukraine. Initial results demonstrate:

- o Immediate benefits for all types of Hyperion Essbase applications, especially those beyond finance when handling sparse data, such as product analysis in retail and manufacturing businesses, and customer-centric analytics;
- o Significant calculation performance improvements of 10-100 times over prior releases of Hyperion Essbase;
- o The ability to reduce disk resources required by 10-30 times; and
- o The ability to quickly and with minimal effort optimize applications and migrate existing Hyperion Essbase applications to the new product.

<sum> The company began shipping Hyperion Performance Suite 8.2, which builds upon its proven strengths in query, analysis, and enterprise reporting and makes dashboards even easier to use, deploy, and personalize.

<sum> The new Hyperion BI Platform was introduced in February. It combines Hyperion Essbase 7.0, which became available in December 2003, and Hyperion Performance Suite 8.2 in a single platform for business intelligence.

<sum> Industry analyst firm META Group ranked Hyperion as a leader in the METAspectrum(SM) Business Performance Management software evaluation for the second year in a row.

<sum> Yorgen H. Edholm was appointed to the Hyperion board of directors. Edholm, a founder of Brio Software, is currently president and CEO of Accellion, Inc.

<sum> John Pierson has been appointed to the position of vice president of the Americas, responsible for driving Hyperion's sales, services and field marketing strategies within the Americas. Pierson joined Hyperion in March 2001 as vice president of the company's channels organization, bringing more than 20 years of experience in sales and marketing management.

About Hyperion

Hyperion is the global leader in Business Performance Management software. More than 9,000 customers – including 91 of the Fortune 100 – rely on Hyperion software to translate strategies into plans, monitor execution and provide insight to improve financial and operational performance. Hyperion combines the most complete set of interoperable applications with the leading Business Intelligence platform to support and create Business Performance Management solutions. A network of more than 600 partners provides the company's innovative and specialized solutions and services.

Named one of the FORTUNE 100 Best Companies to Work For 2004, Hyperion employs approximately 2,600 people in 20 countries. Distributors represent Hyperion in an additional 25 countries. Headquartered in Sunnyvale, California, Hyperion – together with recently acquired Brio Software Inc. – generated combined annual revenues of \$612 million for the 12 months ending June 30, 2003. Hyperion is traded under the Nasdaq symbol HYSL. For more information, please visit www.hyperion.com/uk, e-mail enquiryuk@hyperion.com or call 01784 228015.

Forward-Looking Statements

Statements in this press release other than statements of historical fact are forward-looking statements, including, but not limited to, statements concerning expected future financial results, the potential success of anticipated product offerings, and the potential market opportunities for business performance

management software. Such statements constitute anticipated outcomes and do not assure results. Actual results may differ materially from those anticipated by the forward-looking statements due to a variety of factors, including, but not limited to the company's failure to continue successful integration of the Brio business, failure to successfully drive increases in software license revenue (by both increasing sales of newer products, and limiting falloff of older product revenue), significant product quality problems, failure to successfully drive partner revenue, significant strengthening of the dollar against key European currencies, the impact of competitive products and pricing, a decline in customer demand, and technological shifts. For a more detailed discussion of factors that could affect the company's performance and cause actual results to differ materially from those anticipated in the forward-looking statements, interested parties should review the company's filings with the Securities and Exchange Commission, including the Report on Form 10-K filed on August 13, 2003 and the Report on Form 10-Q filed on February 9, 2004. The company does not undertake an obligation to update its forward-looking statements to reflect future events or circumstances.

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