

HYPERION REPORTS RECORD FISCAL SECOND QUARTER REVENUE AND EARNINGS

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15% License Revenue Growth, 135% Increase in Net Income Highlight Quarter

Santa Clara, Calif., January 25, 2005 - Hyperion Solutions (Nasdaq: HYSL), the leading provider of Business Performance Management (BPM) software, today announced record financial results for its fiscal second quarter ended December 31, 2004.

Total revenues for the quarter increased 13% to a record \$177.0 million, compared to \$156.1 million for the same period a year ago. Software license revenue increased 15% to \$68.5 million, compared to \$59.7 million for the same period a year ago, while maintenance and services revenue grew 12% to \$108.5 million, compared to \$96.4 million in the year-ago period. The company's second-quarter net income, as reported in accordance with U.S. generally accepted accounting principles (GAAP), increased 135% to \$15.6 million, the highest in the company's history, or \$0.38 per diluted share. This compares to net income of \$6.6 million, or \$0.16 per diluted share, for the second quarter of fiscal 2004.

Second quarter non-GAAP pro forma net income increased 46% year-over-year to \$20.4 million, or \$0.50 per diluted share, excluding the impact of charges, net of related tax, for the amortization of purchased intangible assets, the amortization of deferred stock-based compensation, and restructuring costs, including the charge taken for the global headquarters relocation that occurred during the quarter. These results compare to non-GAAP pro forma net income of \$14.0 million, or \$0.35 per diluted share, for the second quarter of fiscal 2004.

Hyperion's balance sheet reflects cash and short-term investments totaling \$405.0 million at December 31, 2004. This compares to \$362.6 million in cash and short-term investments at September 30, 2004. Cash flow from operations for the quarter was \$29.7 million. The company used cash of \$2.3 million to repurchase stock during the quarter, as part of its \$75 million stock repurchase program announced in May 2004. Days sales outstanding (DSO) improved two days to 68 days from year-ago levels.

"Our second quarter was marked by record results, strong execution, and continued innovation," said Godfrey R. Sullivan, Hyperion's president and chief executive officer. "We generated record revenues, net income, and earnings per share. Demand for our market-leading solutions drove 15% license revenue

growth over the same quarter last year and we achieved record pro forma operating margins of nearly 17% during the quarter. Hyperion Performance Suite had a break-out quarter, delivering license revenue growth of more than 50% from year-ago levels. This demonstrates the strong market demand in the Business Intelligence sector for our industry-leading management reporting solutions. In addition, our financial applications had another healthy quarter with double-digit year-over year growth.

“It's a very exciting time for the entire Hyperion team,” continued Mr. Sullivan. “We're leveraging our management reporting solutions to reach beyond the finance department and into new areas of the enterprise. We're in a great position to lead the next wave of Business Performance Management as we unify Business Intelligence and financial and analytical applications into our BPM System. Hyperion has never been stronger.”

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 Q2 FY05 and Q2 FY04 Diluted Earnings Per Share

Q2 FY05 Q2 FY04

GAAP Diluted Earnings Per Share	\$0.38	\$0.16
Plus:		
Deferred maintenance revenue adjustment	- 0.02	
Amortization of purchased intangible assets	0.05	0.04
Amortization of deferred stock-based compensation	0.01	0.03
Restructuring costs	0.12	0.09
Write-off of in-process research and development	- 0.06	
Loss on debt redemption	- 0.02	
Less: Income tax effect of pro forma adjustments	(0.06)	(0.07)
Non-GAAP Pro Forma Diluted Earnings Per Share	\$0.50	\$0.35

Business Outlook

Hyperion also reported today its outlook for the third quarter of fiscal 2005. On a GAAP basis, the

company currently expects total revenues in the range of \$173 million to \$178 million and diluted earnings per share in the range of \$0.35 to \$0.40. This outlook assumes an effective tax rate of 35% and diluted shares outstanding of 42.0 million.

Excluding the impact of the amortization of purchased intangible assets and the amortization of deferred stock-based compensation, the company expects diluted earnings per share on a non-GAAP pro forma basis for the third quarter in the range of \$0.40 to \$0.45.

Reconciliation of GAAP to Pro Forma Diluted Earnings Per Share for Business Outlook

Projected Q3 FY05 GAAP Diluted Earnings Per Share \$0.35 - \$0.40

Plus:

Amortization of purchased intangible assets 0.06

Amortization of deferred stock-based compensation 0.01

Less: Income tax effect of pro forma adjustments (0.02)

Projected Q3 FY05 Non-GAAP Pro Forma Diluted Earnings Per Share \$0.40 - \$0.45

Hyperion Acquires Razza Solutions

In a separate press release today, Hyperion announced that it has acquired Razza Solutions of Austin, Texas, a privately held software company offering a solution for synchronizing master data management across BPM including Business Intelligence (BI) platforms, financial and analytical applications, and transaction systems. Terms of the transaction were not disclosed. Hyperion expects the impact on revenue and earnings will not be material.

Other Recent Developments

Other recent company developments include:

- o Won major customer contracts at AB Nynäs Petroleum (Sweden), Carl Zeiss AG (Germany), Carlson Companies, CoBank, HBOS (UK), Reed Elsevier (UK), Regus Group Plc (UK), Sanofi-Synthelabo Groupe (France), The School Board of Broward County, Social Security Administration, and the University of Alabama Birmingham Health System.

- o Shipped version 4.0 of its BPM suite of applications, offering a new process-oriented user interface that increases user productivity and is standardized across all suite products. It also includes the new Hyperion Workforce Planning module, which extends Hyperion Planning's domain intelligence to support headcount and salary planning functionality.

- o Shipped version 8.3 of Hyperion Performance Suite, a key development milestone in the company's BI Platform roadmap. The new release combines financial and operational reporting and provides better support for SAP, deeper integration with other Hyperion products, and a new wizard-driven Dashboard Builder.

- o Broke the industry's OLAP benchmark, the industry standard APB-1 benchmark, for the second consecutive year, proving Hyperion Essbase once again to be the fastest and most scalable enterprise analytic server

on the market.

o Announced that Mark Cochran has been appointed as vice president, general counsel and corporate secretary, replacing former general counsel, Russell Wayman, who retired in September 2004.

o Launched the first-of-its-kind Drive Clean to Drive Change initiative, which aims to help clear the air by reimbursing employees \$5,000 toward the purchase of cars achieving 45 miles per gallon or higher.

About Hyperion

Hyperion is the global leader in Business Performance Management software. More than 10,000 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 2,500 people in 20 countries. Distributors represent Hyperion in an additional 25 countries.

Headquartered in Santa Clara, California, Hyperion generated annual revenues of \$622 million for the 12 months that ended June 30, 2004. Hyperion is traded under the Nasdaq symbol HYSL. For more information, please visit www.hyperion.com, www.hyperion.com/contactus or call 800 286 8000 (U.S. only).

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, the ability to expand the sale of products into new areas of the enterprise, 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 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, failure to continue the successful integration of the Brio business, 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 September 13, 2004, and the report on Form 10-Q filed on November 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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