

# HYPERION REPORTS RECORD FOURTH QUARTER

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HYPERION REPORTS RECORD FOURTH QUARTER AND FULL FISCAL YEAR 2005 FINANCIAL RESULTS

Record License Revenue Drives 40% Growth in Quarterly Net Income

Santa Clara, Calif., July 21, 2005 – Hyperion Solutions (Nasdaq: HYSL), the leading provider of Business Performance Management (BPM) software, today announced record financial results for its fourth quarter and fiscal year ended June 30, 2005.

Total revenues for the quarter increased 7% to \$189.0 million, compared to \$176.4 million for the same period a year ago. Software license revenue increased 9% to \$78.8 million, compared to \$72.2 million for the same period a year ago, while maintenance and services revenue grew 6% to \$110.2 million, compared to \$104.1 million in the year-ago period.

The company's fourth-quarter net income, as reported in accordance with U.S. generally accepted accounting principles (GAAP), increased 40% to a record \$20.7 million, or \$0.50 per diluted share, compared to net income of \$14.7 million, or \$0.36 per diluted share, for the fourth quarter of fiscal 2004. Fourth quarter non-GAAP net income was \$22.8 million, or \$0.55 per diluted share, excluding the impact of charges, net of related tax, for the amortization of purchased intangible assets, deferred maintenance revenue adjustment, restructuring adjustments and equity-based compensation. These results compare to non-GAAP net income of \$17.8 million, or \$0.44 per diluted share, for the fourth quarter of fiscal 2004.

Hyperion's balance sheet reflects cash and short-term investments totaling \$440.7 million at June 30, 2005. This compares to \$426.7 million in cash and short-term investments at March 31, 2005. Cash flow from operations for the quarter was \$41.4 million. The company used cash of \$31.5 million to repurchase stock during the quarter, executing on its ongoing stock repurchase programs. Days sales outstanding (DSO) improved six days sequentially to 67 days.

Total revenues for the fiscal year ended June 30, 2005 increased 13% to \$702.6 million, compared to \$622.2 million for fiscal year 2004. GAAP net income for fiscal year 2005 increased 52% to \$66.7 million, or \$1.62 per diluted share, compared to net income of \$43.8 million, or \$1.10 per diluted share, for fiscal year 2004. Non-GAAP net income for fiscal year 2005 was \$78.4 million, or \$1.90 per diluted share, compared to \$56.6 million, or \$1.42 per diluted share, for fiscal year 2004. The non-GAAP results exclude the impact of charges, net of related tax, associated with Hyperion's acquisition of Brio

Software, the amortization of purchased intangible assets, equity-based compensation, restructuring costs, in-process research and development, loss on redemption of debt, and deferred revenue write-downs. "This was the best quarter in our company's history, concluding another outstanding year," said Godfrey R. Sullivan, Hyperion's president and chief executive officer. "We delivered record results for revenues, operating margins and net income in both the fourth quarter and fiscal year. Our Business Intelligence Platform had an especially strong quarter, with sequential and year-over-year growth for the June quarter in both Hyperion Performance Suite and Hyperion Essbase. Our financial applications business also continues to be very strong, led by record revenues of Hyperion Planning, which reached a milestone of 1,000 customers during the quarter.

"Our growth is driven by the success of our more than 10,000 global customers and our expanding partner community," continued Mr. Sullivan. "We're capitalizing on demand for our BPM solutions and our market position has never been stronger."

#### Business Outlook

Hyperion also reported today its outlook for the first quarter of fiscal year 2006. On a GAAP basis, the company currently expects total revenues in the range of \$168 million to \$172 million and diluted earnings per share in the range of \$0.22 to \$0.27. This outlook assumes an effective tax rate of 35%, diluted shares outstanding of 41.5 million and an exchange rate of \$1.20 per Euro. Excluding the impact of the amortization of purchased intangible assets and equity-based compensation expense, which will increase due to the adoption of SFAS 123(R), the company expects diluted earnings per share on a non-GAAP basis for the first quarter in the range of \$0.38 to \$0.43

#### Reconciliation of GAAP to Non-GAAP Diluted Earnings per Share for Business Outlook

Projected Q1 FY06 GAAP Diluted Earnings per Share \$0.22 – \$0.27

Plus:

Amortization of purchased intangible assets 0.06

Equity-based compensation expense 0.19

Less: Income tax effect of non-GAAP adjustments (0.09)

Projected Q1 FY06 Non-GAAP Diluted Earnings per Share \$0.38 – \$0.43

A reconciliation of our historical non-GAAP information as well as a discussion of information investors should consider when reviewing our non-GAAP information follows the attached financial statements.

#### Other Recent Developments

Other recent company developments include:

- Won major customer contracts at Alcoa, Atari, Corporate Express, Dell Inc., Harris Corporation Hogeschool INHOLLAND (Netherlands), INVISTA, Laidlaw Education Services, Pearson plc (UK), Red Bull GmbH (Austria), SigmaKalon B.V. (Netherlands), The Carphone Warehouse Ltd. (UK), United Space Alliance, Wolters Kluwer N.v. (Netherlands), and Xstrata (Switzerland).

- Named the revenue leader for financial and Business Performance Management applications by market research firm IDC. Hyperion leads the space with 21 percent market share, according to IDC's estimates for calendar year 2004 software license and maintenance revenue.
- Opened our Center of Excellence office in SAP's Partner Port in Walldorf, Germany, allowing Hyperion to extend its partnership activities with SAP and strengthen its integration with SAP solutions to address joint customer needs.
- Achieved "Powered by SAP NetWeaver(TM)" certification for Hyperion Analyzer 7.2 and certified integration for the SAP(TM) Business Information Warehouse (SAP BW) for Hyperion SQR 8.2. Together these certified integrations deliver a lower total cost of ownership for customers using Hyperion and SAP® solutions.
- Appointed Heidi Melin as Chief Marketing Officer. Melin is responsible for all aspects of Hyperion's global marketing strategy, including branding, communications, and product, customer and field marketing.

#### About Hyperion

Hyperion Solutions Corporation (Nasdaq:HYSL) is the global leader in Business Performance Management software. More than 10,000 customers rely on Hyperion software to provide visibility into how their businesses are performing and to help them plan and model to improve that performance. Along with the industry's most comprehensive and flexible set of interoperable applications, Hyperion offers the leading Business Intelligence platform optimized to support Business Performance Management solutions.

Named one of the FORTUNE 100 Best Companies to Work For (2004), Hyperion serves global customers in 45 countries. A network of more than 600 partners provides the company's innovative and specialized solutions and services. Hyperion generated revenues of \$703 million for the fiscal year that ended June 30, 2005. For more information, please visit [www.hyperion.com](http://www.hyperion.com).

#### Forward-Looking Statements

Statements in this press release relating to the future, including those related to our "Business Outlook,"

are forward-looking statements within the meaning of the "safe harbor" provisions of the Private

Securities Litigation Reform Act of 1995. In some cases, forward-looking statements can be identified by terminology such as, "may," "will," "should," "potential," "estimated,"

"projects," "anticipate," "plans,"

"expects," "believes" and similar expressions. Because these forward-looking statements involve risks

and uncertainties, there are important factors that could cause our actual results to differ materially from

those in the forward-looking statements. These factors include, without limitation, our failure to successfully drive increases in software license revenue (by both increasing sales of newer products, and

limiting fall off 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 quarterly report on Form 10-Q filed on May 10, 2005 and the annual report on Form 10-K to be filed hereafter. The company does not undertake an obligation to update its forward-looking statements to reflect future events or circumstances.

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