

Aspen Technology, Inc. and Subsidiaries Consolidated Statements of Operations

Years Ended June 30	2001	2002	2003
<i>(In thousands, except per share data)</i>			
Revenues:			
Software licenses	\$147,448	\$133,913	\$139,859
Service and other	179,476	186,691	182,862
	326,924	320,604	322,721
Expenses:			
Cost of software licenses	11,856	11,830	13,916
Cost of service and other	114,595	119,972	106,868
Selling and marketing ¹	13,608	115,225	105,883
Research and development	68,913	74,458	65,086
General and administrative	30,643	34,258	36,681
Goodwill impairment charge	—	—	74,715
Restructuring and other charges	6,969	16,083	81,162
Charges for in-process research and development	9,915	14,900	—
	356,499	386,726	484,311
Income (loss) from operations	(29,575)	(66,122)	(161,590)
Interest income	10,268	6,768	8,485
Interest expense	(5,469)	(5,591)	(7,132)
Write-off of investments	(5,000)	(8,923)	—
Foreign currency exchange loss	(81)	(1,073)	(134)
Income (loss) on equity in joint ventures and realized gain on sale of investments	750	180	(462)
Income (loss) before provision for (benefit from) income taxes	(29,107)	(74,761)	(160,833)
Provision for (benefit from) income taxes	(8,732)	2,404	—
Net income (loss)	(20,375)	(77,165)	(160,833)
Accretion of preferred stock discount and dividend	—	(6,301)	(9,184)
Net income (loss) attributable to common shareholders	\$ (20,375)	\$(83,466)	\$(170,017)
Basic and diluted net income (loss) attributable to common shareholders per share	\$ (0.68)	\$ (2.58)	\$ (4.42)
Basic and diluted weighted average shares outstanding	29,941	32,308	38,476

The accompanying notes are an integral part of these consolidated financial statements.