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MATRIXONE, INC. REPORTS RECORD THIRD QUARTER RESULTS

— Revenues increase 89% and software license revenues increase 120% —

Chelmsford, Mass. – April 18, 2000 — MatrixOne, Inc. (Nasdaq: MONE) a leading provider of Internet business collaboration solutions, announced today results for its third fiscal quarter ended April 1, 2000.

Total revenues increased 89.5% to a record \$19.8 million in the third quarter ended April 1, 2000, compared to \$10.5 million in the same period last year. Software license revenues increased 120.3% to a record \$10.7 million in the third quarter ended April 1, 2000, compared to \$4.9 million in the same period last year. Software license revenues represented 54.0% of total revenues, compared to 46.4% in the same period last year.

Net loss was \$2.9 million, or \$0.08 per share on a pro forma basis, in the third quarter ended April 1, 2000, compared to \$2.6 million, or \$0.09 per share on a pro forma basis, in the same period last year. On a pro forma basis excluding stock-based compensation, net loss would have been \$1.9 million, or \$0.05 per share, compared to \$2.4 million, or \$0.09 per share, in the same period last year.

Total revenues increased 76.9% to \$49.9 million for the nine months ended April 1, 2000, compared to \$28.2 million in the same period last year. Software license revenues increased 81.2% to a record \$26.6 million for the nine months ended April 1, 2000, compared to \$14.7 million in the same period last year. Software license revenues represented 53.3% of total revenues for the nine months ended April 1, 2000, compared to 52.0% in the same period last year.

Net loss was \$6.4 million, or \$0.19 per share on a pro forma basis, for the nine months ended April 1, 2000, compared to \$6.7 million, or \$0.25 per share on a pro forma basis, in the same period last year. On a pro forma basis excluding stock-based compensation expense, net loss would have been \$3.9 million, or \$0.12 per share, compared to \$6.3 million, or \$0.23 per share in the same period last year.

"We are extremely pleased with our business momentum on every level," said MatrixOne President and CEO Mark O'Connell. "We met or exceeded each of the financial goals we set for this quarter, and we continue to attract industry-leading customers across a variety of vertical markets. These customers are choosing MatrixOne's eMatrix solution as the cornerstone of their Internet business collaboration strategies."

The following milestones were completed or announced during the third quarter of fiscal 2000:

- MatrixOne completed a public offering of 5,750,000 shares of common stock. Net proceeds were approximately \$131.8 million.
- The Company was awarded a \$13.0 million contract by General Electric to acquire licensed software for all eight of General Electric's worldwide product divisions over a 12 to 15 month period.

MatrixOne's Internet business collaboration solution will be used to incorporate product-related processes and information into a common Internet business-to-business backbone.

- The Company received an order for \$3.8 million from Nokia and recognized \$2.8 million in software and services revenue relating to this order during the quarter ended April 1, 2000. This project, called the Nokia Global Development Platform, will establish best practices for Internet-based collaborative product development initiatives and will support standardization of business processes across all organizations and business units.
- MatrixOne and its Berlin-based systems integrator partner, gedas GmbH, signed a contract with EDAG, an engineering and design company for the automotive industry, to enable EDAG's design teams to share information and work in closer partnership on product development efforts.

About MatrixOne, Inc.

MatrixOne, Inc. (Nasdaq: MONE) is a leading provider of Internet business collaboration solutions. The company's eMatrix suite of products provides an infrastructure for establishing business to business collaboration among trusted customers, suppliers and other business partners, while also enabling standards-based access to independent trading communities and applications hosted by industry service providers. This XML-based environment uses the web to link people, processes and information to enable dramatic improvements in profitability and efficiency throughout the value chain.

MatrixOne has global customers in the high technology, aerospace/defense, automotive, communications, consumer, mechanical, machinery, medical equipment and process industries. These companies are using MatrixOne solutions to enhance their competitive advantage in the burgeoning business to business economy.

Headquartered in Chelmsford, Massachusetts, MatrixOne (www.matrixone.com) maintains offices in North America, Europe, and Asia.

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This press release contains forward-looking statements that are subject to risks and uncertainties that could cause the Company's actual results to differ materially from those anticipated, including statements concerning expected financial and operating results, growth of our customer base and revenues, future customer orders and resulting benefits from our products. Those risks and uncertainties include, among others: the risk that the market does not accept our products; our lengthy and variable sales cycle; the Company's ability to develop new products and services that keep pace with technology; and the Company's ability to develop and maintain successful relationships with systems integrators and complementary technology vendors. For a more detailed discussion of the risks and uncertainties of MatrixOne's business, please refer to the Company's periodic reports and registration statements filed with the Securities and Exchange Commission, including the Company's Prospectus dated February 29, 2000.

MATRIXONE, INC.
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS
(IN THOUSANDS, EXCEPT PER SHARE AMOUNTS)
(UNAUDITED)

	Three Months Ended		Nine Months Ended	
	April 1, 2000	April 3, 1999	April 1, 2000	April 3, 1999
Revenues:				
Software license	\$ 10,711	\$ 4,862	\$ 26,572	\$ 14,664
Service	9,126	5,606	23,313	13,535
Total revenues	19,837	10,468	49,885	28,199
Cost of Revenues:				
Software license	1,135	703	3,029	2,227
Service	7,148	4,277	18,377	10,351
Total cost of revenues	8,283	4,980	21,406	12,578
Gross Profit	11,554	5,488	28,479	15,621
Operating Expenses:				
Selling and marketing	10,037	5,351	23,677	14,538
Research and development	2,429	1,346	5,543	4,324
General and administrative	1,550	1,249	3,835	3,339
Stock-based compensation	1,042	167	2,534	391
Total operating expenses	15,058	8,113	35,589	22,592
Loss from Operations	(3,504)	(2,625)	(7,110)	(6,971)
Other Income, Net	589	34	697	234
Net Loss	\$ (2,915)	\$ (2,591)	\$ (6,413)	\$ (6,737)

Net Loss Per Share:

Basic and Diluted Net Loss Per Share	\$ (0.15)	\$ (0.54)	\$ (0.64)	\$ (1.67)
Shares Used in Computation	18,907	4,773	9,992	4,026

Pro Forma Net Loss Per Share (1):

Pro Forma Basic and Diluted Net Loss Per Share	\$ (0.08)	\$ (0.09)	\$ (0.19)	\$ (0.25)
Pro Forma Basic and Diluted Net Loss Per Share, Excluding Stock-based Compensation	\$ (0.05)	\$ (0.09)	\$ (0.12)	\$ (0.23)
Shares used in computation	36,258	28,162	33,618	27,413

(1) Pro forma basic and diluted net loss per share has been calculated assuming the conversion of all outstanding preferred stock into common stock, as if the conversion had occurred at the date of issuance.

MATRIXONE, INC.
CONDENSED CONSOLIDATED BALANCE SHEETS
(IN THOUSANDS)

	April 1, 2000 (unaudited)	July 3, 1999
ASSETS		
Current Assets:		
Cash and equivalents	\$151,547	\$ 11,036
Accounts receivable, net	17,039	14,670
Prepaid expenses and other current assets	4,377	1,100
Total current assets	172,963	26,806
Property And Equipment, Net	4,222	2,973
Other Assets	161	108
	\$177,346	\$ 29,887
LIABILITIES AND STOCKHOLDERS' EQUITY (DEFICIT)		
Current Liabilities:		
Line of credit	\$ -	\$ 3,050
Accounts payable	5,544	3,968
Accrued expenses	12,894	7,270
Deferred revenues	8,760	4,626
Total current liabilities	27,198	18,914
Redeemable Convertible Preferred Stock	-	17,015
Stockholders' Equity (Deficit):		
Convertible preferred stock	-	3,393
Common stock	418	50
Additional paid-in capital	205,528	26,637
Notes receivable from stockholders	(765)	(117)
Deferred stock-based consideration	(15,641)	(3,458)
Accumulated deficit	(38,786)	(32,373)
Accumulated other comprehensive loss	(606)	(174)
Total stockholders' equity (deficit)	150,148	(6,042)
	\$177,346	\$ 29,887