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NEWS RELEASE

COURT OF APPEALS RULES IN FAVOR OF TIMELINE IN MICROSOFT APPEAL

BELLEVUE, WA, March 5, 2002 – Timeline Inc. (OTCBB: TMLN) announced today that the Washington State Court of Appeals, Division I, issued a favorable opinion regarding its appeal of Microsoft's (Nasdaq: MSFT) breach of contract lawsuit. The court reversed the King County Superior Court's decision in Microsoft vs. Timeline. The ruling provides that all provisions of the Patent License Agreement between Timeline and Microsoft will be given effect, including the explicit limitations imposed on Microsoft's ability to sublicense certain developers who add code or products to Microsoft trademarked products that materially add to a new infringement.

In its ruling, the court stated:

“Accordingly, we reverse the trial court's declaratory judgment and remand for entry of declaratory judgment in favor of Timeline. Our construction of the agreement does not deny sublicensing protection to all Microsoft customers who add code or combine software with SQL Server. If a Microsoft licensee adds code to SQL Server that is not a 'material part' ... (footnote omitted) of Timeline's patent, no infringement has occurred, even if the resulting combination would otherwise infringe Timeline's patent. But if the added code is a material part of Timeline's patent, and the resulting combination infringes the patent, the sublicensee has exceeded the scope of Microsoft's sublicensing rights under the agreement. Reversed and remanded.”

“We are very pleased that the court has acknowledged our right to control the extent and nature of licenses to our patents by contract,” said Charles R. Osenbaugh, Timeline's President and CEO. “The dispute did not involve any direct monetary awards.”

Timeline's pending lawsuit against Hyperion Solutions, Inc. (Nasdaq:HYSL) is not directly affected by this decision. In that proceeding, Timeline is seeking damages and an injunction against any further licensing of certain Hyperion products based upon alleged infringements of the Timeline patents, without regard to whether their use is in combination with Microsoft trademarked products. To date, Timeline has licensed its patents to cover the products of six companies, including two of the world's largest software providers.

About Timeline: Timeline develops, markets and supports proven, Microsoft Windows-based financial management reporting software suitable for complex applications such as those found in medium to large, multinational corporations. Timeline Analyst was developed for Windows, Office and Windows NT and takes full advantage of Microsoft's latest operating systems. Timeline can be reached at 800-342-3365 or on the web at www.timeline.com. Analyst Financials is the European subsidiary of Timeline providing Timeline Analyst, WorkWise Enterprise Alerts, WorkWise Data Integration Automation, and financial analytics products to markets outside North America. These applications employ the latest technology to deliver 21st century solutions for business professionals.

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