



Autodesk First Quarter Revenues Increase 41 Percent

May 18, 2004

EPS Increases 414 Percent

SAN RAFAEL, Calif., May 18, 2004 /PRNewswire-FirstCall via COMTEX/ -- Autodesk, Inc. (Nasdaq: ADSK), the world's leading design software and digital content company, today announced financial results for its first fiscal quarter ended April 30, 2004. For the first quarter, Autodesk reported net revenues of \$298 million, a 41 percent increase over \$211 million reported in the first quarter of the prior year.

First quarter net income was \$43 million, or \$0.36 per diluted share on a GAAP basis, and \$49 million, or \$0.41 per diluted share on a pro-forma basis. Pro-forma net income excludes an \$8 million restructuring charge. Net income in the first quarter of the prior year was \$8 million, or \$0.07 per diluted share on a GAAP basis. There were no pro-forma adjustments in the prior year.

"I am pleased with the company's outstanding performance during the quarter," said Carol Bartz, Autodesk chairman and CEO. "Strong new releases of our AutoCAD 2005 family of products, led to outstanding results in all markets and divisions. Customers are responding enthusiastically to the improved performance and increased functionality in the new versions."

Autodesk's strong performance was driven by significant increases in revenue from new seats and upgrades, the continuing success of the company's subscription program, and the company's commitment to improving profitability.

During the quarter, the company launched its AutoCAD(R) 2005 family of products, demonstrating the company's continued commitment to delivering lifecycle management solutions to customers. AutoCAD 2005 improves productivity and collaboration by providing the functionality needed for efficient workflow processes and allowing users to create, manage and share complex data and design information more easily.

Subscription revenues, called Maintenance on the financial statements, increased 56 percent over the prior year, to \$37 million, as customers continue to recognize the value of the subscription program and the quick return on investment of Autodesk products.

During the quarter, Autodesk continued to deliver on its commitment to improve profitability. Operating margins improved 15 percentage points over the first quarter of fiscal 2004, to 18 percent on a GAAP basis. Pro-forma operating margins, which exclude the \$8 million restructuring charge, were 21 percent in the quarter. These results demonstrate the significant leverage in the company's operating margin.

"We got off to a great start in Fiscal Year 2005," said Bartz. "We introduced the AutoCAD 2005 family of products, one of our strongest product offerings ever, just two months after the retirement of AutoCAD 2000. In addition to the successful launch of AutoCAD 2005 family of products, we plan to release significant new versions of all of our other major products this year, including Autodesk Inventor Series, Autodesk Inventor Professional and 3ds max. Our refreshed product line and our focus on increasing profitability combined with the improved global economy, position the company for strong future growth."

Business Outlook --

The following statements are forward looking statements which are based on current expectations and which involve risks and uncertainties some of which are set forth below.

Q2 Fiscal 2005

Net revenues for the second quarter of fiscal 2005 are expected to be in the range of \$260 million to \$270 million. Earnings per diluted share for the second quarter of fiscal year 2005 are expected to be in the range of \$0.22 to \$0.26 on a GAAP basis and \$0.26 to \$0.30 on a pro-forma basis.

Full Year Fiscal 2005

For 2005, annual revenue is expected to be in the range of \$1.1 billion to \$1.125 billion. Earnings per diluted share for the full year are expected to be in the range of \$1.29 to \$1.36 on a GAAP basis and \$1.44 to \$1.51 on a pro-forma basis. Fourth quarter fiscal 2005 operating margins are expected to be in the high-20 percent range.

A reconciliation of the above non-GAAP net income and EPS amounts to the corresponding GAAP net income and EPS amounts is provided at the end of this press release.

Safe Harbor Statement

This press release contains forward-looking statements that involve risks and uncertainties, including statements in the paragraphs under "Business Outlook," above and other statements regarding our anticipated product releases and performance. Factors that could cause actual results to differ materially include the following: general market and business conditions, failure of key new applications to achieve anticipated levels of customer acceptance, failure to achieve sufficient sell-through in our channels for new or existing products, pricing pressure, failure to achieve anticipated cost reductions, changes in foreign currency rates, delays in the release of new products and services, failure to achieve continued success in technology advancements, changes in accounting rules, particularly related to stock option expensing, failure to successfully integrate new or acquired businesses, financial and business condition of our reseller and distribution channels, renegotiation or termination of royalty or intellectual property arrangements, and failure to grow lifecycle management or collaboration products.

Further information on potential factors that could affect the financial results of Autodesk are included in the company's report on Form 10-K, for the year ended January 31, 2004, which is on file with the Securities and Exchange Commission.

Autodesk will host a conference call at 800-901-5213 (passcode: 41072538) today and an audio webcast on the first quarter results beginning at 5:00 p.m. Eastern Time at www.autodesk.com/investor. A replay of this webcast will be maintained on our website for at least twelve months.

About Autodesk

Autodesk is the world's leading design software and digital content company, offering customers progressive business solutions through powerful technology products and services. Autodesk helps customers in the building, manufacturing, infrastructure, digital media, and wireless data services fields increase the value of their digital design data and improve efficiencies across their entire project lifecycle management processes. For more information, contact any Authorized Autodesk Reseller, call Autodesk at 800-964-6432, or visit www.autodesk.com. Discreet product information is available at 800-869-3504 or via the Web at www.discreet.com.

NOTE: Autodesk, AutoCAD, Autodesk Inventor, 3ds max and Discreet are registered trademarks of Autodesk, Inc., and/or Autodesk Canada, Inc. in the United States and/or other countries. All other brand names, product names, or trademarks belong to their respective holders.

Autodesk, Inc.

Reconciliation of diluted net income per share on a GAAP basis to
non-GAAP diluted net income per share
Unaudited

| | Three months ended | | Fiscal year ended | |
|--|--------------------|----------|-------------------|----------|
| | July 31, 2004 | | January 31, 2005 | |
| | Low end | High end | Low end | High end |
| | of range of range | | of range of range | |
| Diluted net income per share on a GAAP basis | \$0.22 | \$0.26 | \$1.29 | \$1.36 |
| Restructure costs | 0.05 | 0.05 | 0.20 | 0.20 |
| Income tax effect | (0.01) | (0.01) | (0.05) | (0.05) |
| Non-GAAP diluted net income per share | \$0.26 | \$0.30 | \$1.44 | \$1.51 |

Autodesk, Inc.

Consolidated Statements of Income
(In thousands, except per share data)

| | Three Months Ended | |
|------------------------------------|-----------------------|-----------|
| | 2004 | 2003 |
| | April 30, (Unaudited) | |
| Net revenues: | | |
| License and other | \$260,509 | \$186,881 |
| Maintenance | 37,367 | 23,885 |
| Total net revenues | 297,876 | 210,766 |
| Costs and expenses: | | |
| Cost of license and other revenues | 37,585 | 35,047 |
| Cost of maintenance revenues | 4,287 | 3,195 |
| Marketing and sales | 109,279 | 92,354 |
| Research and development | 57,881 | 51,579 |
| General and administrative | 27,073 | 21,984 |
| Restructuring and other | 8,250 | -- |
| Total costs and expenses | 244,355 | 204,159 |
| Income from operations | 53,521 | 6,607 |
| Interest and other income, net | 2,416 | 3,272 |
| Income before income taxes | 55,937 | 9,879 |

| | | |
|---|----------|---------|
| Provision for income taxes | (13,432) | (2,371) |
| Net income | \$42,505 | \$7,508 |
| Basic net income per share | \$0.38 | \$0.07 |
| Diluted net income per share | \$0.36 | \$0.07 |
| Shares used in computing basic net income per share | 112,052 | 111,775 |
| Shares used in computing diluted net income per share | 119,283 | 113,446 |

Autodesk, Inc.

Pro Forma Consolidated Statements of Income

(See pro forma adjustments listed in the tables below)

(In thousands, except per share data)

| | Three Months Ended | |
|---|--------------------|-----------|
| | April 30, | |
| | 2004 | 2003 |
| | (Unaudited) | |
| Net revenues: | | |
| License and other | \$260,509 | \$186,881 |
| Maintenance | 37,367 | 23,885 |
| Total net revenues | 297,876 | 210,766 |
| Costs and expenses: | | |
| Cost of license and other revenues | 37,585 | 35,047 |
| Cost of maintenance revenues | 4,287 | 3,195 |
| Marketing and sales | 109,279 | 92,354 |
| Research and development | 57,881 | 51,579 |
| General and administrative | 27,073 | 21,984 |
| Total costs and expenses | 236,105 | 204,159 |
| Income from operations | 61,771 | 6,607 |
| Interest and other income, net | 2,416 | 3,272 |
| Income before income taxes | 64,187 | 9,879 |
| Provision for income taxes | (15,405) | (2,371) |
| Pro forma net income | \$48,782 | \$7,508 |
| Basic pro forma net income per share | \$0.44 | \$0.07 |
| Diluted pro forma net income per share | \$0.41 | \$0.07 |
| Shares used in computing basic pro forma net income per share | 112,052 | 111,775 |
| Shares used in computing diluted pro forma net income per share | 119,283 | 113,446 |

Three Months Ended
April 30,
2004 2003
(Unaudited)

A reconciliation between operating expenses on a GAAP basis and pro forma operating expenses is as follows:

| | | |
|------------------------------|-----------|-----------|
| GAAP costs and expenses | \$244,355 | \$204,159 |
| Restructuring and other | (8,250) | -- |
| Pro forma costs and expenses | \$236,105 | \$204,159 |

A reconciliation between income from operations on a GAAP basis and pro forma income from operations is as follows:

| | | |
|----------------------------------|----------|---------|
| GAAP income from operations | \$53,521 | \$6,607 |
| Restructuring and other | 8,250 | -- |
| Pro forma income from operations | \$61,771 | \$6,607 |

A reconciliation between net income on a GAAP basis and pro forma net income is as follows:

| | | |
|--|----------|---------|
| GAAP net income | \$42,505 | \$7,508 |
| Restructuring and other | 8,250 | -- |
| Income tax effect of pro forma adjustments | (1,973) | -- |
| Pro forma net income | \$48,782 | \$7,508 |

A reconciliation between diluted net income per share on a GAAP basis and diluted pro forma net income per share is as follows:

| | | |
|--|----------|--------|
| GAAP diluted net income per share | \$0.36 | \$0.07 |
| Restructuring and other | \$0.07 | \$-- |
| Income tax effect of pro forma adjustments | \$(0.02) | \$-- |
| Pro forma diluted net income per share | \$0.41 | \$0.07 |

To supplement our consolidated financial statements presented on a GAAP basis, Autodesk uses pro forma measures of operating results, net income and net income per share, which are adjusted to exclude certain costs, expenses, gains and losses we believe appropriate to enhance an overall understanding of our past financial performance and also our prospects for the future. These adjustments to our GAAP results are made with the intent of providing both management and investors a more complete understanding of Autodesk's underlying operational results and trends and our marketplace performance. For example, the pro forma results are an indication of our baseline performance before gains, losses or other

charges that are considered by management to be outside of our core operating results. In addition, these adjusted pro forma results are among the primary indicators management uses as a basis for our planning and forecasting of future periods. The presentation of this additional information is not meant to be considered in isolation or as a substitute for net income or diluted net income per share prepared in accordance with generally accepted accounting principles in the United States.

Autodesk, Inc.
Consolidated Balance Sheets
(In thousands)

| | April 30, 2004 (Unaudited) | January 31, 2004 (Audited) |
|---|----------------------------------|----------------------------------|
| ASSETS: | | |
| Current assets: | | |
| Cash and cash equivalents | \$304,147 | \$282,249 |
| Marketable securities | 49,780 | 81,275 |
| Accounts receivable, net | 142,630 | 166,816 |
| Inventories | 16,686 | 17,365 |
| Deferred income taxes | 24,170 | 25,410 |
| Prepaid expenses and other current assets | 27,830 | 24,137 |
| Total current assets | 565,243 | 597,252 |
| Marketable securities | 165,463 | 165,976 |
| Computer equipment, software, furniture and leasehold improvements, at cost: | | |
| Computer equipment, software and furniture | 208,614 | 206,319 |
| Leasehold improvements | 34,288 | 34,526 |
| Less accumulated depreciation | (179,350) | (174,371) |
| Net | 63,552 | 66,474 |
| Purchased technologies and capitalized software, net | 18,546 | 19,378 |
| Goodwill, net | 163,885 | 160,094 |
| Deferred income taxes | 3,760 | -- |
| Other assets | 9,851 | 7,986 |
| | \$990,300 | \$1,017,160 |
| LIABILITIES AND STOCKHOLDERS' EQUITY: | | |
| Current liabilities: | | |
| Accounts payable | \$46,639 | \$52,307 |
| Accrued compensation | 65,871 | 92,830 |
| Accrued income taxes | 44,403 | 50,695 |
| Deferred revenues | 137,220 | 127,276 |
| Other accrued liabilities | 56,188 | 61,814 |
| Total current liabilities | 350,321 | 384,922 |
| Deferred income taxes | -- | 7,849 |
| Other liabilities | 2,756 | 2,746 |
| Stockholders' equity: | | |
| Preferred stock | -- | -- |
| Common stock and additional paid-in capital | 519,300 | 473,673 |
| Accumulated other comprehensive loss | (8,889) | (4,754) |
| Deferred compensation | (285) | (451) |
| Retained earnings | 127,097 | 153,175 |

| | | |
|----------------------------|-----------|-------------|
| Total stockholders' equity | 637,223 | 621,643 |
| | \$990,300 | \$1,017,160 |

Autodesk, Inc.

Condensed Consolidated Statements of Cash Flows

(In thousands)

| | Three Months Ended | |
|---|--------------------|-----------|
| | April 30, | |
| | 2004 | 2003 |
| | (Unaudited) | |
| Operating Activities | | |
| Net income | \$42,505 | \$7,508 |
| Adjustments to reconcile net income to net cash provided by operating activities: | | |
| Depreciation and amortization | 12,502 | 12,307 |
| Stock compensation expense | 197 | 557 |
| Net loss on fixed asset disposals | 212 | -- |
| Write-downs of cost method investments | -- | 26 |
| Tax benefits from employee stock plans | 24,414 | -- |
| Restructuring related charges, net | 4,326 | -- |
| Changes in operating assets and liabilities | (28,993) | (2,992) |
| Net cash provided by operating activities | 55,163 | 17,406 |
| Investing Activities | | |
| Net sales and maturities of available-for-sale marketable securities | 30,757 | 1,876 |
| Business combinations, net of cash acquired | (6,500) | (5,150) |
| Capital and other expenditures | (5,864) | (4,083) |
| Other investing activities | (843) | 52 |
| Net cash provided by (used in) investing activities | 17,550 | (7,305) |
| Financing activities | | |
| Proceeds from issuance of common stock, net of issuance costs | 104,934 | 15,123 |
| Repurchase of common stock | (149,033) | (29,881) |
| Dividends paid | (3,302) | (3,347) |
| Net cash used in financing activities | (47,401) | (18,105) |
| Effect of exchange rate changes on cash and cash equivalents | (3,414) | 1,070 |
| Net increase (decrease) in cash and cash equivalents | 21,898 | (6,934) |
| Cash and cash equivalents at beginning of year | 282,249 | 186,377 |
| Cash and cash equivalents at end of period | \$304,147 | \$179,443 |
| Supplemental cash flow information: | | |
| Net cash paid (received) paid during the period for income taxes | \$4,668 | \$(123) |

Fiscal Year

| 2005 | QTR 1 | QTR 2 | QTR 3 | QTR 4 | YTD2005 |
|-------------------------------------|---------|-------|-------|-------|---------|
| Financial Statistics (in millions): | | | | | |
| Total net revenues | \$297.9 | | | | \$297.9 |
| License and | | | | | |

| | | |
|--------------------|---------|---------|
| other | | |
| revenues | \$260.5 | \$260.5 |
| Maintenance | | |
| revenues | \$37.4 | \$37.4 |
| Gross Margin | 86% | 86% |
| GAAP Operating | | |
| Expenses | \$202.5 | \$202.5 |
| GAAP Operating | | |
| Margin | 18% | 18% |
| GAAP Net | | |
| Income | \$42.5 | \$42.5 |
| GAAP Earnings | | |
| Per Share | | |
| (diluted) | \$0.36 | \$0.36 |
| Pro Forma | | |
| Operating | | |
| Expenses | | |
| (A)(B) | \$194.2 | \$194.2 |
| Pro Forma | | |
| Operating | | |
| Margin (A)(C) | 21% | 21% |
| Pro Forma Net | | |
| Income (A)(D) | \$48.8 | \$48.8 |
| Pro Forma | | |
| Earnings Per | | |
| Share (diluted) | | |
| (A)(E) | \$0.41 | \$0.41 |
| Total Cash and | | |
| Marketable | | |
| Securities | \$519.4 | \$519.4 |
| Days Sales | | |
| Outstanding | 43 | 43 |
| Capital | | |
| Expenditures | \$5.9 | \$5.9 |
| Cash from | | |
| Operations | \$55.2 | \$55.2 |
| GAAP Depreciation | | |
| and | | |
| Amortization | \$12.5 | \$12.5 |
| Revenue by | | |
| Geography | | |
| (in millions): | | |
| Americas | \$121.5 | \$121.5 |
| Europe | \$108.8 | \$108.8 |
| Asia/Pacific | \$67.6 | \$67.6 |
| Revenue by | | |
| Division | | |
| (in millions) (F): | | |
| Design Solutions | | |
| Group | \$261.8 | \$261.8 |
| Manufacturing | | |
| Solutions | | |
| Division | \$44.8 | \$44.8 |
| Infrastructure | | |
| Solutions | | |
| Division | \$33.7 | \$33.7 |
| Building | | |
| Solutions | | |
| Group | \$27.2 | \$27.2 |

| | | | |
|--|-------------|--|-------------|
| Platform Technology Group & Other | \$156.1 | | \$156.1 |
| Discreet | \$36.1 | | \$36.1 |
| Upgrade revenue (in millions): | | | |
| Upgrade revenue | \$66.2 | | \$66.2 |
| Operating Income (Loss) by Segment (in millions) (F): | | | |
| Design | | | |
| Solutions | \$115.0 | | \$115.0 |
| Discreet | \$1.7 | | \$1.7 |
| Unallocated amounts | \$(63.2) | | \$(63.2) |
| Headcount: | | | |
| Headcount | 3,409 | | 3,409 |
| Common Stock Statistics: | | | |
| Stock Outstanding (Pro Forma EPS Calculation- diluted) | 119,283,000 | | 119,283,000 |
| Stock Re- purchased | 5,182,600 | | 5,182,600 |
| AutoCAD Statistics: | | | |
| Total AutoCAD- based Installed Base* | 3,469,400 | | 3,469,400 |

* Includes prior period adjustment of approximately 28,000 seats.

(A) To supplement our consolidated financial statements presented on a GAAP basis, Autodesk uses pro forma measures of operating results, net income and net income per share, which are adjusted to exclude certain costs, expenses, gains and losses we believe appropriate to enhance an overall understanding of our past financial performance and also our prospects for the future. These adjustments to our GAAP results are made with the intent of providing both management and investors a more complete understanding of Autodesk's underlying operational results and trends and our marketplace performance. For example, the pro forma results are an indication of our baseline performance before gains, losses or other charges that are considered by management to be outside of our core operating results. In addition, these adjusted pro forma results are among the primary indicators management uses as a basis for our planning and forecasting of future periods. The presentation of this additional information is not meant to be considered in isolation or as a substitute for net income or diluted net income per share prepared in accordance with generally accepted accounting principles in the United States.

(B) GAAP
Operating
Expenses \$202.5 \$-- \$-- \$-- \$202.5
Restructuring

| | | | | | | |
|-----|----------------|----------|------|------|------|----------|
| | and other | \$(8.3) | \$-- | \$-- | \$-- | \$(8.3) |
| | Pro Forma | | | | | |
| | Operating | | | | | |
| | Expenses | \$194.2 | \$-- | \$-- | \$-- | \$194.2 |
| (C) | GAAP Operating | | | | | |
| | Margin | 18% | 0% | 0% | 0% | 18% |
| | Restructuring | | | | | |
| | and other | 3% | 0% | 0% | 0% | 3% |
| | Pro Forma | | | | | |
| | Operating | | | | | |
| | Margin | 21% | 0% | 0% | 0% | 21% |
| (D) | GAAP Net | | | | | |
| | Income | \$42.5 | \$-- | \$-- | \$-- | \$42.5 |
| | Restructuring | | | | | |
| | and other | \$8.3 | \$-- | \$-- | \$-- | \$8.3 |
| | Income tax | | | | | |
| | effect | \$(2.0) | \$-- | \$-- | \$-- | \$(2.0) |
| | Pro Forma | | | | | |
| | Net Income | \$48.8 | \$-- | \$-- | \$-- | \$48.8 |
| (E) | GAAP Earnings | | | | | |
| | Per Share | | | | | |
| | (diluted) | \$0.36 | \$-- | \$-- | \$-- | \$0.36 |
| | Restructuring | | | | | |
| | and other | \$0.07 | \$-- | \$-- | \$-- | \$0.07 |
| | Income tax | | | | | |
| | effect | \$(0.02) | \$-- | \$-- | \$-- | \$(0.02) |
| | Pro Forma | | | | | |
| | Earnings | | | | | |
| | Per Share | | | | | |
| | (diluted) | \$0.41 | \$-- | \$-- | \$-- | \$0.41 |

(F) In the first quarter of fiscal 2005, Autodesk modified its segment disclosure. For purposes of comparison with previous periods, the segment data has been restated to reflect the current segment reporting.

CONTACT: media, Nicole Pack, +1-415-507-6282, or nicole.pack@autodesk.com; or investors, Sue Pirri, +1-415-507-6467, or sue.pirri@autodesk.com, or Marlene Peterson, +1-415-507-6732, or marlene.peterson@autodesk.com, all of Autodesk.

SOURCE Autodesk, Inc.

media, Nicole Pack, +1-415-507-6282, or nicole.pack@autodesk.com; or investors, Sue Pirri, +1-415-507-6467, or sue.pirri@autodesk.com, or Marlene Peterson, +1-415-507-6732, or marlene.peterson@autodesk.com, all of Autodesk

<http://www.autodesk.com>

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