



## Autodesk Third Quarter Revenues Increase 28 Percent

November 18, 2004

### GAAP EPS Increases 200 Percent

SAN RAFAEL, Calif., Nov. 18 /PRNewswire-FirstCall/ -- Autodesk Inc. (Nasdaq: ADSK), a global software and services company today announced financial results for its third fiscal quarter ended October 31, 2004. For the third quarter, Autodesk reported net revenues of \$300 million, a 28 percent increase over \$234 million reported in the third quarter of the prior year.

The company separately announced that it has declared a 2-for-1 stock split on its common stock.

Third quarter net income increased 228 percent over the prior year to \$74 million on a GAAP basis. GAAP EPS was \$0.60 per diluted share, or \$0.30 per diluted share after the effect of the 2-for-1 stock split. GAAP basis net income includes tax benefits of \$29 million. GAAP net income also includes a \$3 million pre-tax restructuring charge. Excluding these items, pro-forma third quarter net income was \$48 million. Pro-forma EPS was \$0.38 per diluted share, or \$0.19 per diluted share on a split adjusted basis. GAAP basis net income in the third quarter of the prior year was \$23 million. GAAP EPS in the third quarter of the prior year was \$0.20 per diluted share, or \$0.10 on a post-split basis. There were no pro-forma adjustments in the prior year.

The tax benefit totaling \$29 million is comprised of several items. During the quarter the company recognized a tax benefit of \$9 million from successful resolution of tax audits of previous years. The company also recognized \$20 million in tax benefits primarily as a result of the new Dividends Received Deduction provided in the American Jobs Creation Act, which was signed into law on October 22, 2004. Under this legislation, the company is allowed to bring up to \$500 million of foreign-earned cash into the United States by January 31, 2006, at a more favorable tax rate. This will allow the company to more effectively manage its cash and invest in the business. As a result of this legislation, the company now estimates its effective tax rate for fiscal 2005 and 2006 to be 20 percent, down from 24 percent. This reduction in estimated rate for the first half of fiscal 2005 resulted in a \$4 million tax benefit. The remaining \$16 million is related to the reduction in the estimated tax liability for previous fiscal years.

"Autodesk had another outstanding quarter," said Carol Bartz, Autodesk chairman and CEO. "Our customers are interested in quick implementation, ease of use and a fast return on investment, and our products meet those needs. Our results demonstrate that our products are strong and our strategies are working."

Autodesk's performance was driven by strong revenues from new seats, increasing penetration of its 3D products, continued success with the subscription program, and continued commitment to improved productivity and efficiency.

New seat revenue increased 36 percent over the prior year. Customers continue to respond enthusiastically to the ease of use and quick ROI of the AutoCAD 2005 family of products. Revenue from new commercial seats of AutoCAD increased 35 percent over the prior year.

During the quarter, Autodesk 3D products continued to gain traction in the market. In October, the company launched Autodesk(R) Civil 3D(TM) 2005, the only civil engineering software available today that creates intelligent relationships between objects, so design changes are dynamically updated. Aggregate revenue from Autodesk Inventor(R) Series, Autodesk Inventor(R) Professional, Autodesk(R) Revit(R), Autodesk(R) AutoCAD(R) Revit Series, Autodesk(R) Architectural Desktop, Autodesk Map(R) 3D and Autodesk Civil 3D increased 50 percent over the prior year. Customer adoption of Inventor, the world's best selling 3D mechanical design software, reached record levels.

Subscription revenues, called maintenance on the financial statements, increased 55 percent over the third quarter of the prior year, as customers continue to recognize the value of the subscription program and the quick return on investment of Autodesk products.

Autodesk continued to demonstrate progress in improving its productivity and profitability. Operating margins increased 6 percentage points over the prior year to 18 percent on a GAAP basis. Pro-forma operating margins, which exclude the \$3 million restructuring charge, increased 7 percentage points to 19 percent in the quarter. These results demonstrate the company's commitment to improving productivity and efficiency.

"I am extremely pleased with our results this quarter," said Bartz. "Our product positioning has never been better. Our focus on productivity has enabled us to increase our investment in growth initiatives while improving our profitability. We expect to maintain this momentum next year."

In connection with the company's two-for-one stock split, stockholders as of the close of business on December 6, 2004, will be issued one additional share for each share of common stock held on the record date, with a payment date of December 20, 2004. The stock split will increase the number of shares outstanding from approximately 114 million shares to approximately 228 million shares.

In addition, the company announced that it will discontinue its \$0.03 per share quarterly dividend. Dividend payments will cease after the March 2005 payment.

### 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.

### Fourth Quarter Fiscal 2005

Net revenues for the fourth quarter of fiscal 2005 are expected to be in the range of \$335 million to \$345 million. GAAP basis earnings per diluted share are expected to be in the range of \$0.50 to \$0.55, or \$0.25 to \$0.28 after the effect of the 2-for-1 stock split. Pro-forma earnings per diluted share are expected to be in the range of \$0.52 to \$0.57, or \$0.26 to \$0.29, on a post-split basis.

### Full Year Fiscal 2005

For fiscal year 2005, net revenues are expected to be in the range of \$1.213 billion to \$1.223 billion. GAAP basis earnings per diluted share are expected to be in the range of \$1.76 to \$1.82, or \$0.88 to \$0.91 on a post-split basis. Pro-forma earnings per diluted share are expected to be in the range of \$1.67 to \$1.73, or \$0.84 to \$0.87 on a post-split basis.

#### First Quarter Fiscal 2006

Net revenues for the first quarter of fiscal 2006 are expected to be in the range of \$320 million to \$330 million. GAAP basis earnings per diluted share are expected to be in the range of \$0.47 to \$0.52, or \$0.24 to \$0.26 on a post-split basis.

#### Full Year Fiscal 2006

For fiscal year 2006, net revenues are expected to be in the range of \$1.33 billion to \$1.38 billion. GAAP basis earnings per diluted share are expected to be in the range of \$2.00 to \$2.15, or \$1.00 to \$1.08 on a post-split basis. Guidance for fiscal year 2006 excludes the impact of expected required stock option expensing.

All fiscal 2005 and fiscal 2006 EPS guidance ranges are based on the new 20 percent estimated effective tax rate. The company believes its effective tax rate will revert back to the historical effective tax rate of approximately 24 percent in fiscal year 2007.

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, statements regarding our expected effective tax rate and other statements regarding our anticipated performance. Factors that could cause actual results to differ materially include the following: general market and business conditions, failure to achieve sufficient sell-through in our channels for new or existing products, failure of key new applications to achieve anticipated levels of customer acceptance, pricing pressure, failure to achieve anticipated cost reductions, 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, changes in foreign currency rates, 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, failure to achieve continued migration from 2d products to 3d products, 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, and Form 10-Q for the quarter ended July 31, 2004, which are on file with the Securities and Exchange Commission.

Autodesk will host its third quarter earnings announcement today at 5:00 p.m. Eastern Time. The live announcement may be accessed at 800-798-2864 (passcode: 54386757). An audio webcast will also be available beginning at 5:00 p.m. Eastern Time at [www.autodesk.com/investor](http://www.autodesk.com/investor). A replay of this webcast will be maintained on our website for at least twelve months.

#### About Autodesk

Autodesk, Inc. is wholly focused on ensuring that great ideas are turned into reality. With six million users, Autodesk is the world's leading software and services company for the building, manufacturing, infrastructure, digital media, and wireless data services fields. Autodesk's solutions help customers create, manage, and share their data and digital assets more effectively. As a result, customers turn ideas into competitive advantage by becoming more productive, streamlining project efficiency, and maximizing profits.

Founded in 1982, Autodesk is headquartered in San Rafael, California. For additional information about Autodesk, please visit [www.autodesk.com](http://www.autodesk.com).

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

##### Unaudited

	Three months ended January 31, 2005		Fiscal year ended January 31, 2005	
	Low end of range	High end of range	Low end of range	High end of range
Diluted net income per share on a pre-split GAAP basis	\$ 0.50	\$ 0.55	\$ 1.76	\$ 1.82
Restructuring costs, net of taxes	0.02	0.02	0.11	0.11
Income tax benefits	--	--	(0.20)	(0.20)
Non-GAAP diluted net income per share on a pre-split basis	\$ 0.52	\$ 0.57	\$ 1.67	\$ 1.73

	Three months ended January 31, 2005		Fiscal year ended January 31, 2005	
	Low end of range	High end of range	Low end of range	High end of range

Diluted net income per share on a GAAP basis after the effect of the 2-for-1 stock split	\$0.25	\$0.28	\$0.88	\$0.91
Restructuring costs, net of taxes	0.01	0.01	0.06	0.06
Income tax benefits	--	--	(0.10)	(0.10)
Non-GAAP diluted net income per share after the effect of the 2-for-1 stock split	\$0.26	\$0.29	\$0.84	\$0.87

NOTE: Autodesk, AutoCAD, Autodesk Inventor, Autodesk Map, Civil 3D and Revit are either trademarks or registered trademarks of Autodesk, Inc., in the United States and/or other countries. All other brand names, product names, or trademarks belong to their respective holders.

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

	Three Months Ended		Nine Months Ended	
	October 31, 2004	October 31, 2003	October 31, 2004	October 31, 2003
	(Unaudited)		(Unaudited)	
Net revenues:				
License and other	\$254,450	\$204,303	\$753,404	\$574,618
Maintenance	45,708	29,559	124,208	81,715
Total net revenues	300,158	233,862	877,612	656,333
Costs and expenses:				
Cost of license and other revenues	39,184	32,690	112,885	100,193
Cost of maintenance revenues	4,210	3,919	12,597	10,705
Marketing and sales	113,205	95,364	327,497	277,581
Research and development	59,942	53,004	176,165	154,247
General and administrative	26,837	20,945	76,856	65,118
Restructuring and other	2,922	--	14,889	--
Total costs and expenses	246,300	205,922	720,889	607,844
Income from operations	53,858	27,940	156,723	48,489
Interest and other income, net	2,801	1,805	7,396	8,147
Income before income taxes	56,659	29,745	164,119	56,636
Income tax benefit (provision)	17,411	(7,139)	(8,379)	6,081
Net income	\$74,070	\$22,606	\$155,740	\$62,717
Basic net income per share	\$0.65	\$0.20	\$1.37	\$0.56
Diluted net income per share	\$0.60	\$0.20	\$1.27	\$0.55
Shares used in computing basic net income per share	113,912	111,220	113,672	111,497
Shares used in computing diluted				

net income per share	124,022	114,166	122,746	113,660
Earnings per share adjusted for impact of two-for-one stock split (A):				
Basic earnings per share	\$0.33	\$0.10	\$0.69	\$0.28
Diluted earnings per share	\$0.30	\$0.10	\$0.63	\$0.28
Shares used in computing basic net income per share	227,823	222,440	227,344	222,994
Shares used in computing diluted net income per share	248,045	228,333	245,492	227,319

(A) Earnings per share for the three and nine months ended October 31, 2004 and 2003 have been presented to reflect a two-for-one stock split approved November 16, 2004, payable to shareholders of record on December 6, 2004.

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		Nine Months Ended	
	October 31,		October 31,	
	2004	2003	2004	2003
	(Unaudited)		(Unaudited)	
Net revenues:				
License and other	\$ 254,450	\$ 204,303	\$ 753,404	\$ 574,618
Maintenance	45,708	29,559	124,208	81,715
Total net revenues	300,158	233,862	877,612	656,333
Costs and expenses:				
Cost of license and other revenues	39,184	32,690	112,885	100,193
Cost of maintenance revenues	4,210	3,919	12,597	10,705
Marketing and sales	113,205	95,364	327,497	277,581
Research and development	59,942	53,004	176,165	154,247
General and administrative	26,837	20,945	76,856	65,118
Total costs and expenses	243,378	205,922	706,000	607,844
Income from operations	56,780	27,940	171,612	48,489
Interest and other income, net	2,801	1,805	7,396	8,147
Income before income taxes	59,581	29,745	179,008	56,636
Provision for income taxes	(11,916)	(7,139)	(35,802)	(13,593)
Pro forma net income	\$ 47,665	\$ 22,606	\$ 143,206	\$ 43,043
Basic pro forma net income per share	\$ 0.42	\$ 0.20	\$ 1.26	\$ 0.39
Diluted pro forma net income per share	\$ 0.38	\$ 0.20	\$ 1.17	\$ 0.38

Shares used in computing basic pro forma net income per share	113,912	111,220	113,672	111,497
Shares used in computing diluted pro forma net income per share	124,022	114,166	122,746	113,660
Pro forma earnings per share adjusted for impact of two-for-one stock split (A):				
Basic pro forma earnings per share	\$ 0.21	\$ 0.10	\$ 0.63	\$ 0.19
Diluted pro forma earnings per share	\$ 0.19	\$ 0.10	\$ 0.58	\$ 0.19
Shares used in computing basic pro forma net income per share	227,823	222,440	227,344	222,994
Shares used in computing diluted pro forma net income per share	248,045	228,333	245,492	227,319

(A) Pro forma earnings per share for the three and nine months ended October 31, 2004 and 2003 have been presented to reflect a two-for-one stock split approved November 16, 2004, payable to shareholders of record on December 6, 2004.

	Three Months Ended		Nine Months Ended	
	October 31,		October 31,	
	2004	2003	2004	2003
	(Unaudited)		(Unaudited)	

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

GAAP costs and expenses	\$ 246,300	\$ 205,922	\$ 720,889	\$ 607,844
Restructuring and other	(2,922)	--	(14,889)	--
Pro forma costs and expenses	\$ 243,378	\$ 205,922	\$ 706,000	\$ 607,844

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

GAAP income from operations	\$ 53,858	\$ 27,940	\$ 156,723	\$ 48,489
Restructuring and other	2,922	--	14,889	--
Pro forma income from operations	\$ 56,780	\$ 27,940	\$ 171,612	\$ 48,489

A reconciliation between income tax benefit (provision) on a GAAP basis and pro forma provision for income taxes is as follows:

GAAP income tax benefit (provision)	\$ 17,411	\$ (7,139)	\$ (8,379)	\$ 6,081
Income tax effect on restructuring and other	(584)	--	(2,978)	--
Dividends received deduction benefit for the current fiscal year	(4,298)	--	--	--

Dividends received deduction benefit for prior fiscal years	(15,540)	--	(15,540)	--
Non-recurring tax benefit	(8,905)	--	(8,905)	(19,674)
Pro forma provision for income taxes	\$ (11,916)	\$ (7,139)	\$ (35,802)	\$(13,593)

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

GAAP net income	\$ 74,070	\$ 22,606	\$ 155,740	\$ 62,717
Restructuring and other	2,922	--	14,889	--
Income tax effect on restructuring and other	(584)	--	(2,978)	--
Dividends received deduction benefit for the current fiscal year	(4,298)	--	--	--
Dividends received deduction benefit for prior fiscal years	(15,540)	--	(15,540)	--
Non-recurring tax benefit	(8,905)	--	(8,905)	(19,674)
Pro forma net income	\$ 47,665	\$ 22,606	\$ 143,206	\$ 43,043

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

Pre-split GAAP diluted net income per share	\$ 0.597	\$ 0.198	\$ 1.269	\$ 0.552
Restructuring and other	0.024	--	0.121	--
Income tax effect on restructuring and other	(0.005)	--	(0.024)	--
Dividends received deduction benefit for the current fiscal year	(0.035)	--	--	--
Dividends received deduction benefit for prior fiscal years	(0.125)	--	(0.127)	--
Non-recurring tax benefit	(0.072)	--	(0.073)	(0.173)
Pre-split pro forma diluted net income per share	\$ 0.384	\$ 0.198	\$ 1.166	\$ 0.379

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

Post-split GAAP diluted net income per share	\$ 0.299	\$ 0.099	\$ 0.634	\$ 0.276
Restructuring and other	0.012	--	0.061	--
Income tax effect on				

restructuring and other	(0.002)	--	(0.012)	--
Dividends received deduction benefit for the current fiscal year	(0.017)	--	--	--
Dividends received deduction benefit for prior fiscal years	(0.064)	--	(0.064)	--
Non-recurring tax benefit	(0.036)	--	(0.036)	(0.087)
Post-split pro forma diluted net income per share	\$ 0.192	\$ 0.099	\$ 0.583	\$ 0.189

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)

	October 31, 2004 (Unaudited)	January 31, 2004 (Audited)
ASSETS:		
Current assets:		
Cash and cash equivalents	\$ 377,148	\$ 282,249
Marketable securities	56,917	81,275
Accounts receivable, net	168,044	166,816
Inventories	12,530	17,365
Deferred income taxes	56,985	25,410
Prepaid expenses and other current assets	25,896	24,137
Total current assets	697,520	597,252
Marketable securities	83,899	165,976
Computer equipment, software, furniture and leasehold improvements, at cost:		
Computer equipment, software and furniture	193,845	206,319
Leasehold improvements	32,625	34,526
Less accumulated depreciation	(158,571)	(174,371)
Net	67,899	66,474
Purchased technologies and capitalized software, net	13,108	19,378
Goodwill, net	166,669	160,094
Deferred income taxes, net	44,048	--
Other assets	8,984	7,986
	\$1,082,127	\$1,017,160

LIABILITIES AND STOCKHOLDERS' EQUITY:

Current liabilities:

Accounts payable	\$ 50,909	\$ 52,307
Accrued compensation	107,917	92,830
Accrued income taxes	37,734	50,695
Deferred revenues	157,105	127,276
Other accrued liabilities	53,891	61,814
Total current liabilities	407,556	384,922
Deferred income taxes, net	--	7,849
Other liabilities	1,293	2,746
Stockholders' equity:		
Preferred stock	--	--
Common stock and additional paid-in capital	600,936	473,673
Accumulated other comprehensive loss	(4,432)	(4,754)
Deferred compensation	(412)	(451)
Retained earnings	77,186	153,175
Total stockholders' equity	673,278	621,643
	\$1,082,127	\$1,017,160

Autodesk, Inc.  
Condensed Consolidated Statements of Cash Flows  
(In thousands)

	Nine Months Ended October 31,	
	2004	2003
	(Unaudited)	
Operating Activities		
Net income	\$ 155,740	\$ 62,717
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	38,581	35,966
Stock compensation expense	2,915	1,497
Net loss on fixed asset disposals	321	--
Write-downs of cost method investments	--	61
Tax benefits from employee stock plans	91,414	--
Restructuring related charges, net	4,773	--
Changes in operating assets and liabilities	(64,318)	709
Net cash provided by operating activities	229,426	100,950
Investing Activities		
Net sales and maturities of available-for-sale marketable securities	105,238	4,927
Capital and other expenditures	(29,291)	(18,716)
Business combinations, net of cash acquired	(11,750)	(5,150)
Other investing activities	(1,487)	(51)
Net cash provided by (used in) investing activities	62,710	(18,990)
Financing activities		
Proceeds from issuance of common stock, net of issuance costs	211,456	50,454
Repurchases of common stock	(400,066)	(81,062)
Dividends paid	(10,146)	(10,076)
Net cash used in financing activities	(198,756)	(40,684)
Effect of exchange rate changes on cash and cash equivalents	1,519	7,057
Net increase in cash and cash equivalents	94,899	48,333
Cash and cash equivalents at beginning of year	282,249	186,377
Cash and cash equivalents at end of period	\$ 377,148	\$ 234,710



Supplemental cash flow information:

Net cash paid during the period for income taxes \$ 12,123 \$ 2,058

Fiscal Year 2005	QTR 1	QTR 2	QTR 3	QTR 4	YTD2005
Financial Statistics (in millions):					
Total net revenues	\$ 297.9	\$ 279.6	\$ 300.2		\$ 877.6
License and other revenues	\$ 260.5	\$ 238.5	\$ 254.5		\$ 753.4
Maintenance revenues	\$ 37.4	\$ 41.1	\$ 45.7		\$ 124.2
Gross Margin	86%	86%	86%		86%
GAAP Operating Expenses	\$ 202.5	\$ 190.0	\$ 202.9		\$ 595.4
GAAP Operating Margin	18%	18%	18%		18%
GAAP Net Income	\$ 42.5	\$ 39.2	\$ 74.1		\$ 155.7
Pre-split GAAP Earnings Per Share (diluted)	\$ 0.36	\$ 0.31	\$ 0.60		\$ 1.27
Split-adjusted GAAP Earnings Per Share (diluted) (F)	\$ 0.18	\$ 0.16	\$ 0.30		\$ 0.63
Pro Forma Operating Expenses (A)(B)	\$ 194.2	\$ 186.3	\$ 200.0		\$ 580.5
Pro Forma Operating Margin (A)(C)	21%	19%	19%		20%
Pro Forma Net Income (A)(D)	\$ 51.3	\$ 44.2	\$ 47.7		\$ 143.2
Pre-split Pro Forma Earnings Per Share (diluted) (A)(E)	\$ 0.43	\$ 0.35	\$ 0.38		\$ 1.17
Split-adjusted Pro Forma Earnings Per Share (diluted) (A)(F)	\$ 0.22	\$ 0.18	\$ 0.19		\$ 0.58
Total Cash and Marketable Securities	\$ 519.4	\$ 571.7	\$ 518.0		\$ 518.0
Days Sales Outstanding	43	51	50		50
Capital Expenditures	\$ 5.9	\$ 9.9	\$ 13.5		\$ 29.3
Cash from Operations	\$ 55.2	\$ 83.5	\$ 90.8		\$ 229.4
GAAP Depreciation and Amortization	\$ 12.5	\$ 12.9	\$ 13.2		\$ 38.6
Revenue by Geography (in millions):					
Americas	\$ 121.5	\$ 115.1	\$ 137.0		\$ 373.6
Europe	\$ 108.8	\$ 98.9	\$ 95.8		\$ 303.5
Asia/Pacific	\$ 67.6	\$ 65.6	\$ 67.4		\$ 200.5
Revenue by Division (in millions) (G):					
Design Solutions Segment	\$ 261.6	\$ 243.8	\$ 257.9		\$ 763.3
Manufacturing Solutions Division	\$ 44.8	\$ 44.2	\$ 50.4		\$ 139.4
Infrastructure Solutions Division	\$ 33.5	\$ 31.4	\$ 33.0		\$ 98.0
Building Solutions Group	\$ 27.2	\$ 28.8	\$ 29.1		\$ 85.0
Platform Technology Group and other	\$ 156.1	\$ 139.4	\$ 145.4		\$ 440.9
Discreet Segment	\$ 36.1	\$ 35.3	\$ 41.6		\$ 113.0
Upgrade Revenue (in millions):					
Upgrade Revenue	\$ 66.2	\$ 46.4	\$ 55.8		\$ 168.4
Deferred Maintenance Revenue (in millions):					
Deferred Maintenance					

Revenue Balance	\$ 96.7	\$ 107.2	\$ 113.2	\$ 113.2
Operating Income (Loss) by Segment (in millions) (G):				
Design Solutions	\$124.2	\$ 106.5	\$ 115.8	\$ 346.5
Discreet	\$ 1.8	\$ 5.2	\$ 5.4	\$ 12.4
Unallocated amounts	\$(72.5)	\$( 62.3)	\$( 67.4)	\$(202.2)

Headcount:

Headcount	3,409	3,443	3,437	3,437
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Common Stock Statistics:

Stock Outstanding

Pre-split Pro Forma

EPS Calculation

- diluted	119,283,000	125,304,000	124,022,000	122,746,000
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Post-split Pro Forma

EPS Calculation

- diluted	238,565,000	250,607,000	248,045,000	245,492,000
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Stock Repurchased -

Pre-split basis	5,182,600	1,659,800	4,016,100	10,858,500
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Installed Base Statistics:

Total AutoCAD-based

Installed Base*	3,469,400	3,514,600	3,571,800	3,571,800
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\*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	\$ 190.0	\$ 202.9	\$ --	\$595.4
Restructuring and other	\$( 8.3)	\$( 3.7)	\$( 2.9)	\$ --	\$(14.9)
Pro Forma Operating Expenses	\$194.2	\$ 186.3	\$ 200.0	\$ --	\$580.5

(C) GAAP Operating Margin	18%	18%	18%	0%	18%
Restructuring and other	3%	1%	1%	0%	2%
Pro Forma Operating Margin	21%	19%	19%	0%	20%

(D) GAAP Net Income	\$42.505	\$39.165	\$74.070	\$ --	\$155.740
Restructuring and other	\$ 8.250	\$ 3.717	\$ 2.922	\$ --	\$ 14.889
Income tax effect on					

restructuring and other (H)	\$ (1.650)	\$ (0.744)	\$ (0.584)	\$ --	\$ ( 2.978)
Dividends Received Deduction benefit for current fiscal year (H)	\$ 2.244	\$ 2.054	\$ (4.298)	\$ --	\$ --
Dividends Received Deduction benefit for prior fiscal years (H)	\$ --	\$ --	\$ (15.540)	\$ --	\$ (15.540)
Non-recurring tax benefit	\$ --	\$ --	\$ (8.905)	\$ --	\$ (8.905)
Pro Forma Net Income	\$51.349	\$44.192	\$ 47.665	\$ --	\$143.206

(E) Pre-split GAAP

Earnings Per Share (diluted)	\$ 0.356	\$ 0.313	\$ 0.597	\$ --	\$ 1.269
Restructuring and other	\$ 0.069	\$ 0.030	\$ 0.024	\$ --	\$ 0.121
Income tax effect on restructuring and other (H)	\$ (0.014)	\$ (0.006)	\$ (0.005)	\$ --	\$ (0.024)
Dividends Received Deduction benefit for current fiscal year (H)	\$ 0.019	\$ 0.016	\$ (0.035)	\$ --	\$ --
Dividends Received Deduction benefit for prior fiscal years (H)	\$ --	\$ --	\$ (0.125)	\$ --	\$ (0.127)
Non-recurring tax benefit	\$ --	\$ --	\$ (0.072)	\$ --	\$ (0.073)
Pre-split Pro Forma Earnings Per Share (diluted)	\$ 0.430	\$ 0.353	\$ 0.384	\$ --	\$ 1.166

(F) On November 18, 2004 Autodesk announced the Board of Directors declared a 2-for-1 stock split on its common stock to be paid on December 20, 2004 to stockholders of record as of the close of business on December 6, 2004. As a result, we have presented the impact of this stock split on our GAAP and pro forma earnings per share for all prior fiscal periods.

Post-split GAAP Earnings Per Share (diluted)	\$ 0.178	\$ 0.156	\$ 0.299	\$ --	\$ 0.634
Restructuring and other	\$ 0.035	\$ 0.015	\$ 0.012	\$ --	\$ 0.061
Income tax effect on restructuring and other (H)	\$ (0.007)	\$ (0.003)	\$ (0.002)	\$ --	\$ (0.012)
Dividends Received Deduction benefit for current fiscal year (H)	\$ 0.009	\$ 0.008	\$ (0.017)	\$ --	\$ --
Dividends Received Deduction benefit for prior fiscal years (H)	\$ --	\$ --	\$ (0.064)	\$ --	\$ (0.064)
Non-recurring tax benefit	\$ --	\$ --	\$ (0.036)	\$ --	\$ (0.036)
Post-split Pro Forma					

Earnings Per Share  
(diluted)                    \$0.215            \$0.176            \$ 0.192    \$--    \$ 0.583

(G) In the third 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.

(H) In the third quarter of fiscal 2005, Autodesk determined that its consolidated fiscal year effective income tax rate declined from 24% to 20%.  
For purposes of comparison, we have assumed the new estimated effective income tax rate of 20% in calculating our pro forma net income and pro forma earnings per share for each individual quarter of fiscal 2005.

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