



Autodesk Reports Second Quarter Earnings; Company Grows Pro Forma Earnings Per Share by 23% and Reaffirms Pro Forma Per Share Guidance for the Year

August 16, 2001

SAN RAFAEL, Calif.--(BUSINESS WIRE)--Aug. 16, 2001--Autodesk, Inc. (Nasdaq:ADSK) today announced financial results for its second quarter ended July 31, 2001. Autodesk reported net revenues of \$231 million for the second quarter of fiscal year 2002 compared to \$233 million for the second quarter of fiscal year 2001.

On a pro forma basis, as defined below, second quarter net income was \$30 million or \$0.53 per diluted share compared to \$25 million or \$0.43 per diluted share for the same quarter a year ago.

Second quarter net income was \$19 million or \$0.34 per diluted share and was impacted by nonrecurring charges of \$10 million, which was primarily related to facility consolidations in the United States. This compares to net income for the same quarter a year ago of \$21 million or \$0.35 per diluted share.

"Our customer relationships have never been stronger. The more we talk about how to leverage digital design data into greater productivity and efficiency, the more interest there is in our solutions," said Carol Bartz, Autodesk chairman and chief executive officer. "Customers believe in our vision and strategy. This, combined with our strongest product line ever, may very well offset the current uncertain macroeconomic conditions."

Second Quarter Highlights

- The Americas region generated record sales of \$116 million -- an increase of 9% from one year ago.
- Record sales in the Americas and strong AutoCAD upgrade revenue of \$55 million indicate launch success for the new core design applications. Customers are recognizing the value in the new 2002 family of products as well as the seamless integrated desktop/network environment. Customers are embracing the targeted functionality of our industry-specific applications for building design, manufacturing, and infrastructure design and management.
- Fueled by the flagship product, Autodesk Architectural Desktop, revenues for the Building Industry Division, formerly known as Architecture, Engineering, and Construction, jumped 42% from one year ago to \$18 million. The Company also bolstered its position in the building industry with its second quarter announcement of a definitive agreement to acquire the remaining interest in Buzzsaw.com.
- Geographic Information Systems also benefited from strong sales broadly across the product line ranging from recently shipped Autodesk Map and Autodesk Land Desktop to Autodesk Civil Design and Autodesk CAD Overlay. Revenues for this division were \$27 million, up 31% from one year ago.

Business Outlook

The following statements are based on current expectations. These statements are forward-looking and actual results may differ materially.

Revenue outlook:

- For the third quarter of fiscal year 2002, the Company expects net revenue to range between \$225 million and \$235 million.
- Revenue guidance for the full year is being revised down slightly -- by approximately 3% -- to a new range of \$970 million to \$990 million.

These revenue expectations depend on a number of factors, including further slowing in the worldwide economies especially in Europe, failure to achieve customer acceptance of key new design and entertainment applications, failure to grow new Internet-related services and businesses, inability of customers to obtain external financing, failure to achieve anticipated revenue results from newly acquired businesses, and foreign currency

fluctuations.

Earnings per share outlook:

- Earnings per share on a pro forma basis, excluding nonrecurring charges as well as amortization of goodwill and purchased intangibles, is expected to range between \$0.32 and \$0.42 per diluted share for the third quarter of fiscal year 2002.
- For the full year, the outlook for earnings per diluted share on a pro forma basis, excluding nonrecurring charges as well as amortization of goodwill and purchased intangibles, is being reaffirmed and is expected to range between \$2.10 and \$2.25 per diluted share.

Pro forma earnings per diluted share may vary due to our inability to control and further reduce operating costs, inability to successfully integrate new or acquired businesses, future investments and spending related to spin-off business and fluctuations in interest rates and share count.

The statements above contained in the business outlook are forward-looking statements that involve risks and uncertainties. In addition to factors discussed above, other factors that could cause actual results to differ materially include the following: general market and business conditions, pricing pressure, failure to achieve continued success in technology advancements and timely release of new products and services, changes in customer ordering patterns, failure to grow internet-related businesses and operational results and equity financings of partially owned affiliates. 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, 2001, and Form 10-Q for the quarter ended April 30, 2001, which are on file with the Securities and Exchange Commission.

Autodesk will host a toll free conference call at 888-343-7141 and an audio webcast on the second quarter results beginning at 5:00 p.m. Eastern Time at www.Autodesk.com/investor. An audio web cast replay will be available until September 1, 2001.

A summary of Autodesk's financial results is as follows:

Three months ended July 31	2001	2000
Net revenues	\$231,360,000	\$232,841,000
Net income(1)	\$ 19,173,000	\$ 20,753,000
Pro forma net income(2)	\$ 29,636,000	\$ 25,328,000
Diluted net income per share(1)	\$ 0.34	\$ 0.35
Pro forma diluted net income per share(2)	\$ 0.53	\$ 0.43

(1) Net income for the quarter ended July 31, 2001, includes nonrecurring charges of \$9.8 million or \$0.18 per diluted share.

(2) Pro forma results for the quarter ended July 31, 2001, exclude amortization of goodwill and purchased intangibles of \$5.2 million or \$0.09 per diluted share and nonrecurring charges of \$9.8 million or \$0.18 per diluted share. Pro forma results for the quarter ended July 31, 2000, exclude amortization of goodwill and purchased intangibles of \$7.3 million or \$0.12 per diluted share.

Six months ended July 31	2001	2000
Net revenues	\$477,100,000	\$464,100,000
Net income(3)	\$ 47,073,000	\$ 46,359,000
Pro forma net income(4)	\$ 61,203,000	\$ 55,489,000
Diluted net income per share(3)	\$ 0.85	\$ 0.77
Pro forma diluted net income per share(4)	\$ 1.10	\$ 0.92

(3) Net income for the six months ended July 31, 2001, includes nonrecurring charges of \$9.8 million or \$0.18 per diluted share.

(4) Pro forma results for the six months ended July 31, 2001,

exclude amortization of goodwill and purchased intangibles and nonrecurring charges that totaled \$20.3 million or \$0.36 per diluted share. Pro forma results for the six months ended July 31, 2000, exclude amortization of goodwill and purchased intangibles and nonrecurring credits that netted to \$14.3 million or \$0.24 per diluted share.

About Autodesk

Autodesk is the world's leading design software and digital content company. Founded in 1982, Autodesk provides design software, Internet portal services, wireless development platforms, and point-of-location applications that empower more than four million customers in over 150 countries to drive business and remain competitive. For more information, contact any Authorized Autodesk Reseller, call Autodesk at 800-964-6432, or visit www.autodesk.com. Discreet(TM) product information is available at 800-869-3504 or via the Web at www.discreet.com.

Autodesk, Inc.
Pro Forma Consolidated Statements of Operations
(In thousands, except per share data)

	Three Months Ended		Six Months Ended	
	July 31,		July 31,	
	-----	-----	-----	-----
	2001	2000	2001	2000
	-----		-----	
	(Unaudited)		(Unaudited)	
Net revenues	\$231,360	\$232,841	\$477,100	\$464,100
Costs and expenses:				
Cost of revenues	35,193	39,209	71,918	75,935
Marketing and sales	86,552	76,965	173,557	154,467
Research and development	43,583	42,272	89,742	82,527
General and administrative	31,696	33,123	65,639	64,928
	-----	-----	-----	-----
Total costs & expenses, excluding amortization of goodwill and purchased intangibles and nonrecurring charges and credits	197,024	191,569	400,856	377,857
	-----	-----	-----	-----
Income from operations	34,336	41,272	76,244	86,243
Interest and other income, net	8,002	4,301	12,988	7,274
	-----	-----	-----	-----
Income before income taxes	42,338	45,573	89,232	93,517
Provision for income taxes	(12,702)	(14,931)	(26,818)	(30,469)
Equity in net loss of affiliate	-	(5,314)	(1,211)	(7,559)
	-----	-----	-----	-----
Net income	\$ 29,636	\$ 25,328	\$ 61,203	\$ 55,489
	=====	=====	=====	=====
Basic net income per share	\$ 0.55	\$ 0.44	\$ 1.14	\$ 0.95
	=====	=====	=====	=====
Diluted net income				

per share	\$ 0.53	\$ 0.43	\$ 1.10	\$ 0.92
	=====	=====	=====	=====
Shares used in computing basic net income per share	54,012	57,752	53,885	58,397
	=====	=====	=====	=====
Shares used in computing diluted net income per share	55,710	59,073	55,558	60,579
	=====	=====	=====	=====

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

	Three Months Ended July 31, -----		Six Months Ended July 31, -----	
	2001	2000	2001	2000
	(Unaudited)		(Unaudited)	
Net revenues	\$231,360	\$232,841	\$477,100	\$464,100
Costs and expenses:				
Cost of revenues	35,193	39,209	71,918	75,935
Marketing and sales	86,552	76,965	173,557	154,467
Research and development	43,583	42,272	89,742	82,527
General and administrative	31,696	33,123	65,639	64,928
Amortization of goodwill and purchased intangibles	5,174	7,272	10,481	15,060
Nonrecurring charges (credits)	9,774	-	9,774	(800)
	-----	-----	-----	-----
	211,972	198,841	421,111	392,117
	-----	-----	-----	-----
Income from operations	19,388	34,000	55,989	71,983
Interest and other income, net	8,002	4,301	12,988	7,274
	-----	-----	-----	-----
Income before income taxes	27,390	38,301	68,977	79,257
Provision for income taxes	(8,217)	(12,234)	(20,693)	(25,339)
Equity in net loss of affiliate	-	(5,314)	(1,211)	(7,559)
	-----	-----	-----	-----
Net income	\$ 19,173	\$ 20,753	\$ 47,073	\$ 46,359
	=====	=====	=====	=====
Basic net income per share	\$ 0.35	\$ 0.36	\$ 0.87	\$ 0.79
	=====	=====	=====	=====

Diluted net income per share	\$ 0.34	\$ 0.35	\$ 0.85	\$ 0.77
	=====	=====	=====	=====
Shares used in computing basic net income per share	54,012	57,752	53,885	58,397
	=====	=====	=====	=====
Shares used in computing diluted net income per share	55,710	59,073	55,558	60,579
	=====	=====	=====	=====

Autodesk, Inc.
Consolidated Balance Sheets
(In thousands)

	July 31, 2001	January 31, 2001
	----- (Unaudited)	----- (Audited)
ASSETS:		
Current assets:		
Cash and cash equivalents	\$ 119,028	\$ 116,391
Marketable securities	155,771	142,961
Accounts receivable, net	159,367	157,422
Inventories	20,567	17,255
Deferred income taxes	29,134	26,696
Prepaid expenses and other current assets	35,835	30,596
	-----	-----
Total current assets	519,702	491,321
	-----	-----
Marketable securities	157,904	163,148
Computer equipment, furniture and leasehold improvements, at cost:		
Computer equipment and furniture	192,942	171,176
Leasehold improvements	29,389	27,145
Less accumulated depreciation	(155,873)	(144,325)
	-----	-----
Net computer equipment, furniture, and leasehold improvements	66,458	53,996
Purchased technologies and capitalized software, net	14,410	16,403
Goodwill, net	44,743	54,273
Deferred income taxes	19,334	18,242
Other assets	7,865	10,376
	-----	-----
	\$ 830,416	\$ 807,759
	=====	=====

LIABILITIES, MINORITY INTEREST & STOCKHOLDERS' EQUITY:

Current liabilities:		
Accounts payable	\$ 54,241	\$ 47,962

Accrued compensation	48,983	55,907
Accrued income taxes	103,626	97,109
Deferred revenues	59,000	50,993
Other accrued liabilities	92,964	81,942
	-----	-----
Total current liabilities	358,814	333,913
	-----	-----
Other liabilities	667	1,208
Minority interest	11,549	12,964
Stockholders' equity:		
Common stock and additional paid-in capital	417,811	424,652
Accumulated other comprehensive loss	(19,538)	(16,104)
Deferred compensation	(1,139)	(1,172)
Retained earnings	62,252	52,298
	-----	-----
Total stockholders' equity	459,386	459,674
	-----	-----
	\$ 830,416	\$ 807,759
	=====	=====

Fiscal Year 2002	QTR 1	QTR 2	QTR 3	QTR 4	YTD2002
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Financial Statistics

(in millions):

Net Revenues	\$ 245.7	\$ 231.4		\$ 477.1
Gross Margin	85%	85%		85%
Pro Forma Operating Expenses	\$ 167.1	\$ 161.8		\$ 328.9
Pro Forma Operating Margin	17%	15%		16%
Pro Forma Net Income (1)	\$ 31.6	\$ 29.6		\$ 61.2
Pro Forma Earnings Per Share (diluted)	\$ 0.57	\$ 0.53		\$ 1.10
Total Cash and Marketable Securities	\$ 394.8	\$ 432.7		\$ 432.7
Days Sales Outstanding	55	52		

Revenue by Geography

(in millions):

Americas	\$ 99.9	\$ 116.2		\$ 216.1
Europe	\$ 78.1	\$ 59.5		\$ 137.6
Asia/Pacific	\$ 67.7	\$ 55.7		\$ 123.4

Revenue by Division

(in millions):

Design Solutions	\$ 196.6	\$ 191.7		\$ 388.3
Manufacturing	\$ 34.3	\$ 27.5		\$ 61.8
GIS	\$ 21.4	\$ 27.0		\$ 48.4
Building Industry (AEC)	\$ 17.7	\$ 18.4		\$ 36.1
Platform Group & Other	\$ 123.2	\$ 118.8		\$ 242.0
Discreet	\$ 49.1	\$ 39.7		\$ 88.8

AutoCAD Statistics:

AutoCAD Units Sold	77,000	67,000		144,000
AutoCAD Upgrade Revenue (in millions)	\$ 17.0	\$ 54.7		\$ 71.7

Installed Base	2,852,000	2,919,000	2,919,000
Headcount:			
Headcount	3,539	3,554	3,554
Common Stock Statistics:			
Stock Outstanding			
(Pro Forma EPS Calculation -			
diluted)	55,687,000	55,710,000	55,558,000
Stock Repurchased	1,825,000	195,000	2,020,000

(1) Pro forma net income excludes amortization of goodwill and purchased intangibles and nonrecurring charges and credits.

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