



Autodesk Reports Fourth Quarter Results

February 25, 2003

SAN RAFAEL, Calif., Feb 25, 2003 (BUSINESS WIRE) -- Autodesk, Inc. (Nasdaq:ADSK), the world's leading design software and digital content company, today announced financial results for its fourth quarter and fiscal year ended January 31, 2003. For the fourth quarter of fiscal year 2003, Autodesk reported net revenues of \$196 million compared to \$189 million in the third quarter of fiscal 2003, an increase of four percent sequentially. Net revenues were \$254 million in the fourth quarter of fiscal year 2002.

Fourth quarter net income was \$6.4 million or \$0.06 per diluted share compared to a net loss of \$3.9 million or (\$0.03) per share for the third quarter of fiscal 2003. Net income for the same quarter a year ago was \$21.8 million or \$0.19 per diluted share.

"We are pleased to have grown revenue four percent sequentially in the face of continued economic challenges," said Carol Bartz, Autodesk chairman and CEO. "Strength in our subscription program and our industry verticals demonstrate that our strategy is working. Autodesk delivers the value and return on investment that customers are looking for now."

On a pro forma basis, as defined below, fourth quarter net income was \$8.0 million or \$0.07 per diluted share compared to \$5.8 million or \$0.05 per diluted share in the third quarter of fiscal 2003, sequential increases of 38 percent and 40 percent respectively. Pro forma net income was \$37.0 million or \$0.32 per diluted share for the same quarter a year ago.

Fourth Quarter Highlights

-- Fueled by strong performance from subscriptions and the vertical industries, net revenue grew four percent sequentially, despite the challenging business environment.

-- Momentum for subscription is building, as evidenced by six percent increase in subscription revenue for the quarter. Growth of subscription bookings was an impressive 58 percent. During the quarter, Autodesk closed its largest subscription contract to date, valued in excess of \$1 million.

-- All of our Design Solutions vertical markets saw strong sequential growth proving customers see the value of Autodesk's market specific solutions.

-- Our Manufacturing Division grew 11% sequentially on the strength of our 3D business, with Autodesk Inventor(R) 6 seats sold reaching 6,600 worldwide in the quarter. Streamline(R), our product lifecycle management initiative added 19 new customers in the quarter.

-- Our Building Division drove a third consecutive quarter of growth despite the global downturn in construction. The 10 percent sequential increase was driven by an increase in Autodesk(R) Revit(R) 5 revenues of more than 80 percent, coupled with growth in Autodesk(R) Architectural Desktop and Autodesk(R) Building Systems 3.

-- An independent research study of 50 Autodesk(R) Buzzsaw(TM) customers noted their average return on investment in the first year was 370 percent. Breakeven for these customers was within three months, proving that Autodesk solutions do provide quick ROI to customers.

-- Our Infrastructure Division (formerly GIS) grew 10% from last quarter on strong performance from Autodesk MapGuide(R) and Autodesk(R) Land Desktop.

-- Cash and investments were \$411 million at the end of the fourth quarter, up from \$395 million in the last quarter.

"I have never been more confident about Autodesk's overall position in the market," said Bartz. "We will have significant new releases of all of our products by mid-year, and customers are already raving about them. Our subscription program is a resounding success, providing customers with the value they have come to expect. Our sound financial position and ability to generate positive cash flow in the midst of an industry slowdown continue to be significant competitive advantages for Autodesk."

Business Outlook

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

Q1 Fiscal 2004

Net revenues for the first quarter of fiscal 2004 are expected to be in the range of \$205 million to \$210 million. Earnings per diluted share for the first quarter of fiscal year 2004 are expected to be in the range of \$0.03 to \$0.06.

Full Year Fiscal 2004

Net revenues for fiscal 2004 are expected to be in the range of \$875 million to \$900 million. Earnings per diluted share for fiscal year 2004 are expected to be in the range of \$0.50 to \$0.60.

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, delays in the release of new products and services, failure to achieve customer acceptance of key new design and entertainment applications, pricing pressure, failure to achieve continued success in technology advancements, failure to successfully integrate new or acquired businesses, financial and business condition of our reseller and distribution channels, failure to grow lifecycle management or collaboration.

In accordance with Statement of Financial Accounting Standards No. 5, Autodesk records reserves to cover contingent liabilities, based upon our best current estimates. Our expenses for the fiscal fourth quarter include a \$2.5 million reserve for a lawsuit which is scheduled for trial in March. However,

due to the inherent uncertainties of litigation, ultimate resolution of this matter could result in liability to the company which is greater or less than the reserved amount. In that event, if litigation is resolved prior to filing our fiscal year 2003 form 10-K, the results for the fiscal fourth quarter would be adjusted accordingly.

Further information on potential factors that could affect the financial results of Autodesk are included in the company's reports on Form 10-K, for the year ended January 31, 2002 and Form 10-Q for the quarter ended October 31, 2002, which are on file with the Securities and Exchange Commission.

Autodesk will host a toll free conference call at 800-369-1154 (password: Autodesk) and an audio webcast on the fourth quarter results beginning at 5:00 p.m. Eastern Time at www.Autodesk.com/investor. An audio webcast replay will be available until March 1, 2003.

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

Three months ended January 31	2003	2002
Net revenues	\$195,516,000	\$254,034,000
Net income(1)(2)	\$ 6,413,000	\$ 21,769,000
Pro forma net income(3)	\$ 7,955,000	\$ 37,022,000
Diluted net income per share(1)(2)	\$ 0.06	\$ 0.19
Pro forma diluted net income per share(3)	\$ 0.07	\$ 0.32

(1) Net income for the quarter ended January 31, 2003 includes restructuring and other charges of \$7.3 million or \$0.06 per diluted share and a non-recurring tax benefit of \$3.8 million or \$0.03 per diluted share. Net income for the quarter ended January 31, 2002, includes restructuring and other charges of \$16.6 million or \$0.14 per diluted share.

(2) On February 1, 2002, Autodesk adopted new accounting rules which resulted in the discontinuation of goodwill amortization. Net income for the quarter ended January 31, 2002 includes \$5.0 million or \$0.04 per diluted share of goodwill amortization.

(3) Pro forma results for the quarter ended January 31, 2003 excludes restructuring and other charges and amortization of purchased intangibles totaling \$7.4 million or \$0.06 per diluted share and a non-recurring tax benefit of \$3.8 million or \$0.03 per diluted share. Pro forma results for the quarter ended January 31, 2002 exclude amortization of purchased intangibles totaling \$5.2 million or \$0.05 per diluted share and restructuring and other charges of \$16.6 million or \$0.14 per diluted share.

Fiscal Year ended January 31	2003	2002
Net revenues	\$824,945,000	\$947,491,000
Net income(4)(5)	\$ 31,904,000	\$ 90,313,000
Pro forma net income(6)	\$ 47,196,000	\$118,976,000
Diluted net income per share(4)(5)	\$ 0.28	\$ 0.80
Pro forma diluted net income per share(6)	\$ 0.41	\$ 1.06

(4) Net income for the year ended January 31, 2003 includes \$25.9 million of restructuring and other charges or \$0.23 per diluted share and a non-recurring tax benefit of \$3.8 million or \$0.03 per diluted share. Net income for the year ended January 31, 2002, includes amortization of goodwill and purchased intangibles of \$20.9 million or \$0.19 per diluted share, restructuring and other charges of \$33.6 million or \$0.30 per diluted share and a one-time gain on disposal of affiliate of \$9.5 million or \$0.08 per diluted share.

(5) On February 1, 2002, Autodesk adopted new accounting rules which resulted in the discontinuation of goodwill amortization. Net income for the year ended January 31, 2002 includes \$19.9 million or \$0.18 per diluted share of goodwill amortization.

(6) Pro forma results for the year ended January 31, 2003 excludes restructuring and other charges and amortization of purchased intangibles totaling \$26.2 million or \$0.23 per diluted share and a non-recurring tax benefit of \$3.8 million or \$0.03 per diluted share. Pro forma results for the year ended January 31, 2002, exclude amortization of goodwill and purchased intangibles of \$20.9 million or \$0.19 per diluted share, restructuring and other charges of \$33.6 million or \$0.30 per diluted share and a one-time gain on disposal of affiliate of \$9.5 million or \$0.08 per diluted share.

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(TM) product information is available at 800-869-3504 or via the Web at www.discreet.com.

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Autodesk, Inc.

Pro Forma Consolidated Statements of Income

(In thousands, except per share data)

	Three Months Ended		Year Ended	
	January 31,		January 31,	
	2003	2002	2003	2002
	(Unaudited)		(Unaudited)	
Net revenues	\$195,516	\$254,034	\$824,945	\$947,491
Costs and expenses:				
Cost of revenues	33,425	41,486	140,162	151,203
Marketing and sales	80,474	88,842	331,721	343,508
Research and development	39,957	39,195	172,985	168,574
General and administrative	33,084	33,368	128,929	131,499
	186,940	202,891	773,797	794,784
Income from operations	8,576	51,143	51,148	152,707
Interest and other income, net	2,321	1,745	13,504	19,058
Income before income taxes	10,897	52,888	64,652	171,765
Provision for income taxes	(2,942)	(15,866)	(17,456)	(51,578)
Equity in net loss of affiliate	-	-	-	(1,211)
Net income	\$7,955	\$37,022	\$47,196	\$118,976
Basic net income per share	\$0.07	\$0.34	\$0.42	\$1.09
Diluted net income per share	\$0.07	\$0.32	\$0.41	\$1.06
Shares used in computing basic net income per share	112,619	110,382	113,035	108,816
Shares used in computing diluted net income per share	114,161	114,428	114,775	112,276
The above pro forma amounts have been adjusted to exclude the following items:				
Amortization of goodwill and purchased intangibles	\$26	\$5,224	\$299	\$20,903
Restructuring and other	7,324	16,566	25,887	33,630
Non-recurring tax benefit	(3,824)	-	(3,824)	-
Gain on disposal of affiliate	-	-	-	(9,461)
Income tax effect	(1,984)	(6,537)	(7,070)	(16,409)
Net difference between actual results and pro forma net income	\$1,542	\$15,253	\$15,292	\$28,663

Autodesk, Inc.

Consolidated Statements of Income

(In thousands, except per share data)

	Three Months Ended		Year Ended	
	January 31,		January 31,	

	2003	2002	2003	2002
	(Unaudited)		(Audited)	
Net revenues	\$195,516	\$254,034	\$824,945	\$947,491
Costs and expenses:				
Cost of revenues	33,425	41,486	140,162	151,203
Marketing and sales	80,474	88,842	331,721	343,508
Research and development	39,957	39,195	172,985	168,574
General and administrative	33,084	33,368	128,929	131,499
Amortization of goodwill and purchased intangibles	26	5,224	299	20,903
Restructuring and other	7,324	16,566	25,887	33,630
	194,290	224,681	799,983	849,317
Income from operations	1,226	29,353	24,962	98,174
Interest and other income, net	2,321	1,745	13,504	19,058
Gain on disposal of affiliate	-	-	-	9,461
Income before income taxes	3,547	31,098	38,466	126,693
Benefit (provision) for income taxes	2,866	(9,329)	(6,562)	(35,169)
Equity in net loss of affiliate	-	-	-	(1,211)
Net income	\$6,413	\$21,769	\$31,904	\$90,313
Basic net income per share	\$0.06	\$0.20	\$0.28	\$0.83
Diluted net income per share	\$0.06	\$0.19	\$0.28	\$0.80
Shares used in computing basic net income per share	112,619	110,382	113,035	108,816
Shares used in computing diluted net income per share	114,161	114,428	114,775	112,276

Autodesk, Inc.

Consolidated Balance Sheets

(In thousands)

	January 31, 2003	January 31, 2002
	(Audited)	(Audited)
ASSETS:		
Current assets:		
Cash and cash equivalents	\$158,949	\$136,781
Marketable securities	88,071	201,030
Accounts receivable, net	132,803	140,465
Inventories	12,284	17,999
Deferred income taxes	28,923	31,477
Prepaid expenses and other current assets	28,602	36,118
Total current assets	449,632	563,870
Marketable securities	164,029	166,800
Computer equipment, software, furniture and leasehold improvements, at cost:		
Computer equipment, software and furniture	210,900	200,568
Leasehold improvements	32,913	29,652
Less accumulated depreciation	(167,691)	(157,400)
	76,122	72,820
Purchased technologies and capitalized software, net	30,125	19,336

Goodwill, net	155,945	39,987
Deferred income taxes, net	0	29,459
Other assets	7,797	10,172
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	\$883,650	\$902,444
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LIABILITIES & STOCKHOLDERS' EQUITY:

Current liabilities:

Accounts payable	\$45,122	\$53,769
Accrued compensation	44,869	57,540
Accrued income taxes	40,859	91,922
Deferred revenues	93,241	65,474
Other accrued liabilities	86,994	101,946
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Total current liabilities	311,085	370,651
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Deferred income taxes, net	1,678	0
Other liabilities	2,736	2,479

Stockholders' equity:

Common stock and additional paid-in capital	479,874	458,135
Accumulated other comprehensive loss	(12,625)	(19,972)
Deferred compensation	(2,185)	(713)
Retained earnings	103,087	91,864
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Total stockholders' equity	568,151	529,314
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	\$883,650	\$902,444
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Autodesk

Fiscal Year 2003

	QTR 1	QTR 2	QTR 3	QTR 4	YTD2003
Financial Statistics (in millions):					
Net Revenues	\$ 229.3	\$ 211.4	\$ 188.7	\$ 195.5	\$ 824.9
Gross Margin	82%	84%	83%	83%	83%
Pro Forma Operating Expenses	\$ 165.7	\$ 163.0	\$ 151.4	\$ 153.5	\$ 633.6
Pro Forma Operating Margin	10%	7%	3%	4%	6%
Pro Forma Net Income (1)	\$ 18.9	\$ 14.5	\$ 5.8	\$ 8.0	\$ 47.2
Pro Forma Earnings Per Share (diluted)	\$ 0.16	\$ 0.13	\$ 0.05	\$ 0.07	\$ 0.41
Total Cash and Marketable Securities	\$ 423.0	\$ 406.7	\$ 395.2	\$ 411.0	\$ 411.0
Days Sales Outstanding	50	56	62	62	
Revenue by Geography (in millions):					
Americas	\$ 106.8	\$ 92.7	\$ 87.4	\$ 87.3	\$ 374.2
Europe	\$ 71.8	\$ 66.2	\$ 58.2	\$ 67.2	\$ 263.4
Asia/Pacific	\$ 50.7	\$ 52.5	\$ 43.1	\$ 41.0	\$ 187.3
Revenue by Division (in millions):					
Design Solutions Group	\$ 193.9	\$ 178.6	\$ 158.2	\$ 165.7	\$ 696.4
Manufacturing					

Solutions					
Division	\$ 33.7	\$ 33.3	\$ 24.6	\$ 27.2	\$ 118.8
Infrastructure					
Solutions					
Division					
(formerly					
GIS)	\$ 27.1	\$ 26.0	\$ 23.9	\$ 26.4	\$ 103.4
Building					
Solutions					
Group	\$ 21.8	\$ 16.2	\$ 16.9	\$ 18.6	\$ 73.5
Platform					
Technology					
Division &					
Other	\$ 111.3	\$ 103.1	\$ 92.8	\$ 93.5	\$ 400.7
Discreet	\$ 35.4	\$ 32.8	\$ 30.5	\$ 29.8	\$ 128.5
AutoCAD					
Statistics:					
New Units of					
AutoCAD-based					
Products	46,700	35,300	46,000	50,300	178,300
Upgrade Revenue					
of AutoCAD-					
based					
Products	\$ 21.3	\$ 13.1	\$ 10.9	\$ 23.7	\$ 69.0
(in millions)					
Installed					
Base	3,091,700	3,127,000	3,173,000	3,223,300	3,223,300
Headcount:					
Headcount	3,706	3,715	3,622	3,498	3,498
Common Stock					
Statistics:					
Stock					
Outstanding					
(Pro Forma					
EPS					
Calculation					
-diluted)	118,402,000	114,275,000	113,558,000	114,161,000	114,161,000
Stock					
Repurchased	446,000	2,003,000	641,000	1,300,000	4,390,000

(1) Pro forma net income excludes amortization of goodwill and purchased intangibles, restructuring and other charges, and a non-recurring tax benefit recognized during the fourth quarter of fiscal 2003.

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