

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION**

Washington, DC 20549

FORM 8-K

**CURRENT REPORT
Pursuant to Section 13 or 15(d) of
The Securities Exchange Act of 1934**

Date of Report (Date of earliest event reported)
February 23, 2010

Autodesk, Inc.

(Exact name of registrant as specified in its charter)

Delaware
(State or other jurisdiction of incorporation)

000-14338
(Commission File Number)

94-2819853
(IRS Employer
Identification No.)

**111 McInnis Parkway
San Rafael, California 94903**
(Address of principal executive offices, including zip code)

(415) 507-5000
(Registrant's telephone number, including area code)

(Former name or former address, if changed since last report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (see General Instruction A.2. below):

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
 - Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
 - Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
 - Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))
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Item 2.02. Results of Operations and Financial Condition.

On February 23, 2010, Autodesk, Inc. (“Autodesk” or the “Company”) issued a press release and prepared remarks reporting financial results for the fourth quarter and fiscal year ended January 31, 2010. The press release and prepared remarks are furnished herewith as Exhibit 99.1 and Exhibit 99.2, respectively, and are incorporated herein by reference.

These exhibits shall not be deemed “filed” for purposes of Section 18 of the Securities Exchange Act of 1934, as amended (the “Exchange Act”), or incorporated by reference in any filing under the Securities Act of 1933, as amended, or the Exchange Act, except as shall be expressly set forth by specific reference in such a filing.

Non-GAAP Financial Measures

To supplement Autodesk’s consolidated financial statements presented on a GAAP basis, the press release and prepared remarks furnished herewith as Exhibit 99.1 and Exhibit 99.2, respectively, provide investors with certain non-GAAP measures, including but not limited to historical non-GAAP net earnings and historical and future non-GAAP net earnings per diluted share. For our internal budgeting and resource allocation process, Autodesk’s management uses non-GAAP measures that do not include: (a) stock-based compensation expenses, (b) amortization of purchased intangibles and purchases of technology, including in-process research and development expenses, (c) goodwill and intangible assets impairment, (d) restructuring charges, (e) establishment of a valuation allowance on certain net deferred tax assets, and (f) the income tax effects on the difference between GAAP and non-GAAP costs and expenses. Autodesk’s management uses non-GAAP measures in making operating decisions because we believe the measures provide meaningful supplemental information regarding Autodesk’s earning potential. In addition, these non-GAAP financial measures facilitate comparisons to our and our competitors’ historical results and operating guidance.

As described above, Autodesk excludes the following items from its non-GAAP measures:

A. *Stock-based compensation expenses.* Autodesk excludes stock-based compensation expenses from its non-GAAP measures primarily because they are non-cash expenses and management finds it useful to exclude certain non-cash charges to assess the appropriate level of various operating expenses to assist in budgeting, planning and forecasting future periods.

B. *Amortization of purchased intangibles and purchases of technology, including in-process research and development expenses.* Autodesk incurs amortization of acquisition-related purchased intangible assets and charges related to in-process research and development, primarily in connection with its acquisition of certain businesses and technologies. The amortization of purchased intangibles varies depending on the level of acquisition activity, and management finds it useful to exclude these variable charges to assess the appropriate level of various operating expenses to assist in budgeting, planning and forecasting future periods.

C. *Goodwill and intangible assets impairment.* This is a non-cash charge to write-down goodwill and intangible assets to fair value when there was an indication that the asset was impaired. As explained above, management finds it useful to exclude certain non-cash charges to assess the appropriate level of various operating expenses to assist in budgeting, planning and forecasting future periods.

D. *Restructuring charges.* These expenses are associated with realigning our business strategies based on current economic conditions. In connection with these restructuring actions, we recognize costs related to termination benefits for former employees whose positions were eliminated, and the closure of facilities and cancellation of certain contracts. We exclude these charges because these expenses are not reflective of ongoing operating results in the current period.

E. *Establishment of a valuation allowance on certain net deferred tax assets.* This is a non-cash charge to record a valuation allowance on certain deferred tax assets. As explained above, management finds it useful to exclude certain non-cash charges to assess the appropriate level of various expenses to assist in budgeting, planning and forecasting future periods.

F. *Income tax effects on the difference between GAAP and non-GAAP costs and expenses.* The income tax effects that are excluded from the non-GAAP measures relate to the tax impact on the difference between GAAP and non-GAAP costs and expenses, primarily due to differences in the timing of when income tax benefits are recognized for stock compensation and purchased intangibles for GAAP and non-GAAP measures.

There are limitations in using non-GAAP financial measures because the non-GAAP financial measures are not prepared in accordance with generally accepted accounting principles and may be different from non-GAAP financial measures used by other companies. In addition, the non-GAAP financial measures are limited in value because they exclude certain items that may have a material impact upon our reported financial results. Management compensates for these limitations by analyzing current and future results on a GAAP basis as well as a non-GAAP basis and also by providing GAAP measures in our earnings release and prepared remarks. The presentation of non-GAAP financial information is not meant to be considered in isolation or as a substitute for the directly comparable financial measures prepared in accordance with generally accepted accounting principles in the United States. The non-GAAP financial measures are meant to supplement, and be viewed in conjunction with, GAAP financial measures. Investors should review the information regarding non-GAAP financial measures provided in our press release and prepared remarks.

Item 9.01. Financial Statements and Exhibits.

(d) Exhibits.

<u>Exhibit No.</u>	<u>Description</u>
99.1	Press release dated as of February 23, 2010, entitled "Autodesk Posts Sequential Revenue, Profitability and Cash Flow Growth."
99.2	Prepared Remarks dated as of February 23, 2010.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

AUTODESK, INC.

By: /s/ MARK J. HAWKINS
Mark J. Hawkins
Executive Vice President and Chief Financial Officer

Date: February 23, 2010

EXHIBIT INDEX

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99.2	Prepared Remarks dated as of February 23, 2010.

PRESS RELEASE

Investors

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AUTODESK POSTS SEQUENTIAL REVENUE, PROFITABILITY AND CASH FLOW GROWTH

Revenue of \$456 million up 9% sequentially
 GAAP EPS of \$0.21 up 62% sequentially
 Non-GAAP EPS of \$0.30 up 11% sequentially

SAN RAFAEL, Calif., February 23, 2010-- Autodesk, Inc. (NASDAQ: ADSK) today reported financial results for the fourth quarter and full year fiscal 2010.

Fourth Quarter Fiscal 2010

- Revenue was \$456 million, an increase of 9 percent sequentially and a decrease of 7 percent compared to the fourth quarter of fiscal 2009.
- On a GAAP basis, diluted earnings per share were \$0.21, compared to diluted earnings per share of \$0.13 in the third quarter of fiscal 2010, and diluted loss per share of \$0.47 in the fourth quarter of fiscal 2009.
- On a non-GAAP basis, diluted earnings per share were \$0.30, compared to non-GAAP diluted earnings per share of \$0.27 in the third quarter of fiscal 2010, and non-GAAP diluted earnings per share of \$0.31 in the fourth quarter of fiscal 2009. A reconciliation of GAAP and non-GAAP results is provided in the accompanying tables.
- Cash flow from operations was \$126 million, an increase of 169 percent sequentially and 45 percent compared to the fourth quarter of fiscal 2009.

“We finished the year with better than anticipated revenue and profitability in the fourth quarter,” said Carl Bass, Autodesk president and CEO. “These results were driven by a sequentially improving demand environment and continued competitive displacements. In addition to our focus on growth, cost containment contributed to our performance.”

Driving the performance in revenue and profitability were sequential increases in revenue from commercial new seat licenses, revenue from every Geography, revenue from each product type, as well as revenue from our Manufacturing, AEC, and Platform Solutions and Emerging Business segments.



Fourth Quarter Operational Overview

EMEA revenue increased 18 percent sequentially as reported and 15 percent on a constant currency basis to \$188 million. EMEA revenue decreased 14 percent compared to the fourth quarter of fiscal 2009 as reported and 22 percent on a constant currency basis. Revenue in the Americas increased 3 percent sequentially to \$168 million and decreased 2 percent compared to the fourth quarter of fiscal 2009. Revenue in Asia Pacific was \$100 million, an increase of 6 percent sequentially as reported and 4 percent on a constant currency basis. Revenue in Asia Pacific increased 1 percent compared to the fourth quarter of fiscal 2009 as reported and decreased 4 percent on a constant currency basis.

Revenue from emerging economies was \$73 million, an increase of 18 percent sequentially as reported and 16 percent on a constant currency basis. Revenue from emerging economies decreased 8 percent compared to the fourth quarter of fiscal 2009 as reported and 12 percent on a constant currency basis. Revenue from emerging economies represented 16 percent of total revenue in the fourth quarter.

Combined revenue from Autodesk's 3D model-based design solutions was \$134 million, an increase of 10 percent sequentially and a decline of 7 percent compared to the fourth quarter of fiscal 2009. Revenue from 2D horizontal and 2D vertical products was \$213 million, a 13 percent increase sequentially and 8 percent decrease compared to the fourth quarter of fiscal 2009. Combined revenue from our AutoCAD and AutoCAD LT products increased 9 percent sequentially and decreased 9 percent compared to the fourth quarter last year.

Cash flow from operations was \$126 million in the fourth quarter bringing our cash and investments balance to over \$1.1 billion, or cash and investments of approximately \$4.92 per share of common stock outstanding.

Full Year Fiscal 2010

- Revenue was \$1.7 billion, a decrease of 26 percent compared to fiscal 2009.
- On a GAAP basis, diluted earnings per share were \$0.25, compared to diluted earnings per share of \$0.80 in fiscal 2009.
- On a non-GAAP basis, diluted earnings per share were \$0.99, compared to non-GAAP diluted earnings per share of \$1.95 in fiscal 2009.
- Cash flow from operations was \$247 million, a decrease of 58 percent compared to fiscal 2009.

- GAAP total spend (GAAP cost of revenue plus GAAP operating expenses) decreased by \$423 million, or 20 percent compared to fiscal 2009.
- Non-GAAP total spend (non-GAAP cost of revenue plus non-GAAP operating expenses) decreased by \$312 million, or 18 percent compared to fiscal 2009.

“Fiscal 2010 was a challenging year by any measure,” continued Bass. “We took action to significantly reduce our cost structure and increase our efficiency. As a result, we greatly exceeded our initial goal of pre-tax cost savings of \$250 million. Those actions, and our continued investments in essential parts of our business, helped strengthen Autodesk and position the company for long-term growth and success. Going forward, we will continue to build on our foundation as a world leader in design, engineering, and entertainment software.”

Business Outlook

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

First Quarter Fiscal 2011

For the first quarter of fiscal 2011, Autodesk expects revenue to be in the range of \$420 million to \$440 million. On a GAAP basis, earnings per diluted share are expected to be in the range of \$0.02 and \$0.07. On a non-GAAP basis, earnings per diluted share are expected to be in the range of \$0.18 and \$0.23, excluding \$0.08 related to stock-based compensation expense, \$0.05 for amortization of acquisition related intangibles, and \$0.03 related to restructuring charges.

First quarter outlook assumes an effective tax rate of 27 percent. The increase in the tax rates from fiscal 2010 is primarily due to expiration of a research and development tax credit.

Full Year Fiscal 2011

Autodesk is not providing specific revenue or EPS guidance for fiscal 2011 at this time. However, operating margin on a GAAP basis for the full year fiscal 2011 is expected to increase significantly compared to fiscal 2010. Autodesk continues to anticipate modest improvement in non-GAAP operating margin for full year fiscal 2011 compared to fiscal 2010. For fiscal 2011, non-GAAP operating margin excludes stock-based compensation expense, amortization of acquisition related intangibles, and restructuring related charges.

Earnings Conference Call and Webcast

Autodesk will host its fourth quarter conference call today at 5:00 p.m. EST (2:00 p.m. PST). The live broadcast can be accessed at <http://www.autodesk.com/investors>. Supplemental financial information and prepared remarks for the conference call will be posted to the investor relations section of our Website simultaneously with this press release.

NOTE: The prepared remarks will not be read on the conference call. The conference call will include only brief remarks followed by questions and answers.

A replay of the broadcast will be available at 7:00 pm EST at <http://www.autodesk.com/investors>. This replay will be maintained on our Website for at least twelve months.

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 anticipated market, economic and revenue trends, cost savings, operational and efficiency investments, and other statements regarding our expected strategies, market and products positions, performance and results. Other factors that could cause actual results to differ materially include the following: general market, economic and business conditions, our performance in particular geographies, including emerging economies, the financial and business condition of our reseller and distribution channels, fluctuation in foreign currency exchange rates, failure to achieve and maintain planned cost reductions and productivity increases, slowing momentum in maintenance revenues, failure to achieve sufficient sell-through in our channels for new or existing products, pricing pressure, failure to achieve continued migration from 2D products to 3D products, difficulties encountered in integrating new or acquired businesses and technologies, the inability to identify and realize the anticipated benefits of acquisitions, unexpected fluctuations in our tax rate, the timing and degree of expected investments in growth and efficiency opportunities, changes in the timing of product releases and retirements, failure of key new applications to achieve anticipated levels of customer acceptance, failure to achieve continued success in technology advancements, interruptions or terminations in the business of Autodesk consultants, and any unanticipated accounting charges.

Further information on potential factors that could affect the financial results of Autodesk are included in Autodesk's reports on Form 10-K for the year ended January 31, 2009 and Forms 10-Q for the quarters ended April 30, 2009, July 31, 2009, and October 31, 2009, which are on file with the U.S. Securities and Exchange Commission. Autodesk does not assume any obligation to update the forward-looking statements provided to reflect events that occur or circumstances that exist after the date on which they were made.

About Autodesk

Autodesk, Inc. is a world leader in 2D and 3D design, engineering and entertainment software for the manufacturing, building and construction, and media and entertainment markets. Since its introduction of AutoCAD software in 1982, Autodesk continues to develop the broadest portfolio of state-of-the-art software to help customers experience their ideas digitally before they are built. Fortune 100 companies - as well as the last 14 Academy Award winners for Best Visual Effects - use Autodesk software tools to design, visualize and simulate their ideas to save time and money, enhance quality, and foster innovation for competitive advantage.

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

	Three Months Ended January 31,		Fiscal Year Ended January 31,	
	2010 (Unaudited)	2009	2010 (Unaudited)	2009
Net revenue:				
License and other	\$ 270.0	\$ 310.0	\$ 980.7	\$ 1,603.4
Maintenance	186.1	179.8	733.0	711.8
Total net revenue	456.1	489.8	1,713.7	2,315.2
Cost of revenue:				
Cost of license and other revenue	41.3	46.0	179.9	210.2
Cost of maintenance revenue	3.1	2.5	11.9	8.9
Total cost of revenue	44.4	48.5	191.8	219.1
Gross profit	411.7	441.3	1,521.9	2,096.1
Operating Expenses:				
Marketing and sales	191.3	218.0	731.9	900.7
Research and development	116.8	138.7	457.5	576.1
General and administrative	47.1	49.3	197.7	205.7
Impairment of goodwill and intangibles	-	128.9	21.0	128.9
Restructuring charges	0.4	40.2	48.2	40.2
Total operating expenses	355.6	575.1	1,456.3	1,851.6
Income (loss) from operations	56.1	(133.8)	65.6	244.5
Interest and other income (expense), net	2.6	(1.8)	19.1	8.0
Income (loss) before income taxes	58.7	(135.6)	84.7	252.5
(Provision) benefit for income taxes	(8.6)	30.3	(26.7)	(68.9)
Net income (loss)	\$ 50.1	\$ (105.3)	\$ 58.0	\$ 183.6
Basic net income (loss) per share	\$ 0.22	\$ (0.47)	\$ 0.25	\$ 0.81
Diluted net income (loss) per share	\$ 0.21	\$ (0.47)	\$ 0.25	\$ 0.80
Shares used in computing basic net income (loss) per share	229.0	226.3	228.7	225.5
Shares used in computing diluted net income (loss) per share	233.2	226.3	232.1	230.1

Autodesk, Inc.
Condensed Consolidated Balance Sheets
(In millions)

	January 31, 2010 (Unaudited)	January 31, 2009
ASSETS:		
Current assets:		
Cash and cash equivalents	\$ 838.7	\$ 917.6
Marketable securities	161.9	63.5
Accounts receivable, net	277.4	316.5
Deferred income taxes	44.2	31.1
Prepaid expenses and other current assets	57.4	59.3
Total current assets	<u>1,379.6</u>	<u>1,388.0</u>
Marketable securities	125.6	7.6
Computer equipment, software, furniture and leasehold improvements, net	101.6	120.6
Purchased technologies, net	88.0	113.3
Goodwill	542.9	542.5
Long term deferred income taxes, net	101.9	125.7
Other assets	107.6	123.0
	<u>\$ 2,447.2</u>	<u>\$ 2,420.7</u>
LIABILITIES AND STOCKHOLDERS' EQUITY:		
Current liabilities:		
Accounts payable	\$ 67.8	\$ 62.4
Accrued compensation	115.6	124.3
Accrued income taxes	8.4	16.7
Deferred revenue	444.6	438.8
Borrowings under line of credit	-	52.1
Other accrued liabilities	67.6	105.8
Total current liabilities	<u>704.0</u>	<u>800.1</u>
Deferred revenue	71.9	113.3
Long term income taxes payable	127.2	116.9
Long term deferred income taxes	-	22.7
Other liabilities	70.6	57.0
Commitments and contingencies		
Stockholders' equity:		
Preferred stock	-	-
Common stock and additional paid-in capital	1,204.3	1,080.4
Accumulated other comprehensive income (loss)	(3.5)	(11.2)
Retained earnings	272.7	241.5
Total stockholders' equity	<u>1,473.5</u>	<u>1,310.7</u>
	<u>\$ 2,447.2</u>	<u>\$ 2,420.7</u>

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

	Fiscal Year Ended January 31,	
	2010 (Unaudited)	2009
Operating Activities		
Net income	\$ 58.0	\$ 183.6
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	111.5	91.8
Stock-based compensation expense	93.6	89.5
Impairment of goodwill and intangibles	21.0	128.9
Restructuring charges, net	48.2	38.9
Gain on disposition of assets	(2.3)	-
Charge for acquired in-process research and development	-	26.9
Changes in operating assets and liabilities, net of business combinations	(83.2)	34.3
Net cash provided by operating activities	<u>246.8</u>	<u>593.9</u>
Investing Activities:		
Purchases of marketable securities	(568.9)	(118.6)
Sales of marketable securities	26.4	75.0
Maturities of marketable securities	328.7	8.4
Capital expenditures	(39.0)	(78.4)
Purchases of equity investments	(11.4)	-
Business combinations, net of cash acquired	(18.8)	(364.5)
Net cash used in investing activities	<u>(283.0)</u>	<u>(478.1)</u>
Financing activities:		
Draws on line of credit	2.2	912.4
Repayments of line of credit	(54.3)	(860.3)
Proceeds from issuance of common stock, net of issuance costs	70.0	90.1
Repurchases of common stock	(63.2)	(256.6)
Net cash used in financing activities	<u>(45.3)</u>	<u>(114.4)</u>
Effect of exchange rate changes on cash and cash equivalents	<u>2.6</u>	<u>(1.7)</u>
Net decrease in cash and cash equivalents	(78.9)	(0.3)
Cash and cash equivalents at beginning of fiscal year	917.6	917.9
Cash and cash equivalents at end of period	<u>\$ 838.7</u>	<u>\$ 917.6</u>

Autodesk, Inc.
Reconciliation of GAAP financial measures to non-GAAP financial measures
(In millions, except per share data)

To supplement our consolidated financial statements presented on a GAAP basis, Autodesk provides investors with certain non-GAAP measures including non-GAAP net income, non-GAAP net income per share, non-GAAP cost of license and other revenue, non-GAAP gross profit, non-GAAP operating expenses, non-GAAP income from operations, non-GAAP interest and other income, net, non-GAAP provision for income taxes and non-GAAP total spend savings. These non-GAAP financial measures are adjusted to exclude certain costs, expenses, gains and losses, including stock-based compensation expense, amortization of purchased intangibles, in-process research and development expenses, restructuring charges, goodwill and intangibles impairment, establishment of a valuation allowance on certain deferred tax assets and related income tax expenses. See our reconciliation of GAAP financial measures to non-GAAP financial measures herein. We believe these exclusions are appropriate to enhance an overall understanding of our past financial performance and also our prospects for the future, as well as to facilitate comparisons with our historical operating results. 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 non-GAAP results are an indication of our baseline performance before gains, losses or other charges that are considered by management to be outside our core operating results. In addition, these non-GAAP financial measures are among the primary indicators management uses as a basis for our planning and forecasting of future periods.

There are limitations in using non-GAAP financial measures because the non-GAAP financial measures are not prepared in accordance with generally accepted accounting principles and may be different from non-GAAP financial measures used by other companies. The non-GAAP financial measures are limited in value because they exclude certain items that may have a material impact upon our reported financial results. The presentation of this additional information is not meant to be considered in isolation or as a substitute for the directly comparable financial measures prepared in accordance with generally accepted accounting principles in the United States. Investors should review the reconciliation of the non-GAAP financial measures to their most directly comparable GAAP financial measures as provided in the tables accompanying this press release.

The following table shows Autodesk's non-GAAP results reconciled to GAAP results included in this release.

	Three Months Ended		Fiscal Year Ended	
	January 31,		January 31,	
	2010	2009	2010	2009
	(Unaudited)		(Unaudited)	
GAAP cost of license and other revenue	\$ 41.3	\$ 46.0	\$ 179.9	\$ 210.2
Stock-based compensation expense	(0.7)	(0.5)	(3.1)	(3.6)
Amortization of developed technology	(7.6)	(7.9)	(32.9)	(23.2)
Non-GAAP cost of license and other revenue	\$ 33.0	\$ 37.6	\$ 143.9	\$ 183.4
GAAP gross profit	\$ 411.7	\$ 441.3	\$ 1,521.9	\$ 2,096.1
Stock-based compensation expense	0.7	0.5	3.1	3.6
Amortization of developed technology	7.6	7.9	32.9	23.2
Non-GAAP gross profit	\$ 420.0	\$ 449.7	\$ 1,557.9	\$ 2,122.9
GAAP marketing and sales	\$ 191.3	\$ 218.0	\$ 731.9	\$ 900.7
Stock-based compensation expense	(8.6)	(8.6)	(41.1)	(39.2)
Non-GAAP marketing and sales	\$ 182.7	\$ 209.4	\$ 690.8	\$ 861.5
GAAP research and development	\$ 116.8	\$ 138.7	\$ 457.5	\$ 576.1
Stock-based compensation expense	(6.3)	(6.0)	(30.0)	(29.3)
In-process research and development	-	(8.9)	-	(26.9)
Non-GAAP research and development	\$ 110.5	\$ 123.8	\$ 427.5	\$ 519.9
GAAP general and administrative	\$ 47.1	\$ 49.3	\$ 197.7	\$ 205.7
Stock-based compensation expense	(3.3)	(3.6)	(19.4)	(17.5)
Amortization of customer relationships and trademarks	(6.0)	(6.9)	(25.5)	(23.4)
Non-GAAP general and administrative	\$ 37.8	\$ 38.8	\$ 152.8	\$ 164.8
GAAP impairment of goodwill and intangibles	\$ -	\$ 128.9	\$ 21.0	\$ 128.9
Impairment of goodwill and intangibles	-	(128.9)	(21.0)	(128.9)
Non-GAAP impairment of goodwill and intangibles	\$ -	\$ -	\$ -	\$ -
GAAP restructuring charges	\$ 0.4	\$ 40.2	\$ 48.2	\$ 40.2
Restructuring charges	(0.4)	(40.2)	(48.2)	(40.2)
Non-GAAP restructuring charges	\$ -	\$ -	\$ -	\$ -
GAAP operating expenses	\$ 355.6	\$ 575.1	\$ 1,456.3	\$ 1,851.6
Stock-based compensation expense	(18.2)	(18.2)	(90.5)	(86.0)
Amortization of customer relationships and trademarks	(6.0)	(6.9)	(25.5)	(23.4)
In-process research and development	-	(8.9)	-	(26.9)
Impairment of goodwill and intangibles	-	(128.9)	(21.0)	(128.9)
Restructuring charges	(0.4)	(40.2)	(48.2)	(40.2)
Non-GAAP operating expenses	\$ 331.0	\$ 372.0	\$ 1,271.1	\$ 1,546.2
GAAP income (loss) from operations	\$ 56.1	\$ (133.8)	\$ 65.6	\$ 244.5
Stock-based compensation expense	18.9	18.7	93.6	89.6
Amortization of developed technology	7.6	7.9	32.9	23.2
Amortization of customer relationships and trademarks	6.0	6.9	25.5	23.4
In-process research and development	-	8.9	-	26.9
Impairment of goodwill and intangibles	-	128.9	21.0	128.9
Restructuring charges	0.4	40.2	48.2	40.2
Non-GAAP income from operations	\$ 89.0	\$ 77.7	\$ 286.8	\$ 576.7
GAAP (provision) benefit for income taxes	\$ (8.6)	\$ 30.3	\$ (26.7)	\$ (68.9)
Establishment of valuation allowance on deferred tax assets	-	-	21.0	-
Income tax effect on difference between GAAP and non-GAAP total costs and expenses at a normalized rate	(13.1)	(35.9)	(68.5)	(68.0)
Non-GAAP (provision) for income tax	\$ (21.7)	\$ (5.6)	\$ (74.2)	\$ (136.9)
GAAP net income (loss)	\$ 50.1	\$ (105.3)	\$ 58.0	\$ 183.6
Stock-based compensation expense	18.9	18.7	93.6	89.6
Amortization of developed technology	7.6	7.9	32.9	23.2
Amortization of customer relationships and trademarks	6.0	6.9	25.5	23.4
In-process research and development	-	8.9	-	26.9
Impairment of goodwill and intangibles	-	128.9	21.0	128.9
Restructuring charges	0.4	40.2	48.2	40.2
Establishment of valuation allowance on deferred tax assets	-	-	21.0	-
Income tax effect on difference between GAAP and non-GAAP total costs and expenses at a normalized rate	(13.1)	(35.9)	(68.5)	(68.0)
Non-GAAP net income	\$ 69.9	\$ 70.3	\$ 231.7	\$ 447.8
GAAP diluted net income (loss) per share	\$ 0.21	\$ (0.47)	\$ 0.25	\$ 0.80
Stock-based compensation expense	0.08	0.08	0.40	0.39
Amortization of developed technology	0.03	0.04	0.14	0.10
Amortization of customer relationships and trademarks	0.03	0.03	0.11	0.10
In-process research and development	-	0.04	-	0.12
Impairment of goodwill and intangibles	-	0.56	0.09	0.56
Restructuring charges	-	0.18	0.21	0.18

Establishment of valuation allowance on deferred tax assets	-	-	0.09	-
Income tax effect on difference between GAAP and non-GAAP total costs and expenses at a normalized rate	(0.05)	(0.15)	(0.30)	(0.30)
Non-GAAP diluted net income per share	<u>\$ 0.30</u>	<u>\$ 0.31</u>	<u>\$ 0.99</u>	<u>\$ 1.95</u>
GAAP diluted shares used in per share calculation	233.2	226.3	232.1	230.1
Impact of stock-based compensation on diluted shares	0.7	(0.2)	0.9	(0.4)
Shares included in non-GAAP net income per share, but excluded from GAAP net loss per share as they would have been anti-dilutive	-	3.0	-	-
Non-GAAP diluted shares used in per share calculation	<u>233.9</u>	<u>229.1</u>	<u>233.0</u>	<u>229.7</u>

GAAP total spend savings +	\$ 423
Stock-based compensation expense	3
Amortization of developed technology	10
Amortization of customer relationships and trademarks	3
In-process research and development	(27)
Impairment of goodwill and intangibles	(108)
Restructuring charges	8
Non-GAAP total spend savings +	<u>\$ 312</u>

+ FY 2010 operating expenses and cost of revenue, less FY 2009 operating expenses and cost of revenue

Fiscal Year 2010	Other Supplemental Financial Information*				
	QTR 1	QTR 2	QTR 3	QTR 4	YTD 2010
Financial Statistics (\$ in millions, except per share data):					
Total net revenue	\$ 426	\$ 415	\$ 417	\$ 456	\$ 1,714
License and other revenue	\$ 244	\$ 231	\$ 236	\$ 270	\$ 981
Maintenance revenue	\$ 182	\$ 184	\$ 181	\$ 186	\$ 733
GAAP Gross Margin	88%	88%	89%	90%	89%
Non-GAAP Gross Margin (1)(2)	90%	90%	92%	92%	91%
GAAP Operating Expenses	\$ 393	\$ 362	\$ 346	\$ 356	\$ 1,456
GAAP Operating Margin	-5%	1%	6%	12%	4%
GAAP Net Income (Loss)	\$ (32)	\$ 10	\$ 30	\$ 50	\$ 58
GAAP Diluted Net Income (Loss) Per Share	\$ (0.14)	\$ 0.05	\$ 0.13	\$ 0.21	\$ 0.25
Non-GAAP Operating Expenses (1)(3)	\$ 327	\$ 308	\$ 305	\$ 331	\$ 1,271
Non-GAAP Operating Margin (1)(4)	13%	16%	18%	20%	17%
Non-GAAP Net Income (1)(5)	\$ 42	\$ 57	\$ 63	\$ 70	\$ 232
Non-GAAP Diluted Net Income Per Share (1)(6)	\$ 0.18	\$ 0.24	\$ 0.27	\$ 0.30	\$ 0.99
Total Cash and Marketable Securities	\$ 966	\$ 1,029	\$ 1,054	\$ 1,126	\$ 1,126
Days Sales Outstanding	49	49	47	55	55
Capital Expenditures	\$ 14	\$ 11	\$ 6	\$ 9	\$ 39
Cash from Operations	\$ 27	\$ 47	\$ 47	\$ 126	\$ 247
GAAP Depreciation and Amortization	\$ 27	\$ 28	\$ 29	\$ 27	\$ 111
Deferred Maintenance Revenue Balance	\$ 469	\$ 444	\$ 420	\$ 464	\$ 464
Revenue by Geography (in millions):					
Americas	\$ 163	\$ 159	\$ 164	\$ 168	\$ 655
Europe	\$ 167	\$ 157	\$ 159	\$ 188	\$ 671
Asia/Pacific	\$ 96	\$ 99	\$ 94	\$ 100	\$ 388
Revenue by Segment (in millions):***					
Platform Solutions and Emerging Business	\$ 156	\$ 150	\$ 154	\$ 165	\$ 624
Architecture, Engineering and Construction	\$ 128	\$ 123	\$ 125	\$ 137	\$ 514
Manufacturing	\$ 94	\$ 95	\$ 90	\$ 108	\$ 387
Media and Entertainment	\$ 48	\$ 47	\$ 48	\$ 46	\$ 189
Other	\$ -	\$ -	\$ -	\$ -	\$ -
Other Revenue Statistics:					
% of Total Rev from AutoCAD and AutoCAD LT***	33%	31%	32%	31%	32%
% of Total Rev from 3D design products	29%	29%	29%	29%	29%
% of Total Rev from Emerging Economies	14%	15%	15%	16%	15%
Upgrade Revenue (in millions)	\$ 43	\$ 26	\$ 26	\$ 37	\$ 133
Favorable (Unfavorable) Impact of U.S. Dollar Translation Relative to Foreign Currencies Compared to Comparable Prior Year Period (in millions):					
FX Impact on Total Net Revenue	\$ (31)	\$ (24)	\$ (4)	\$ 22	\$ (36)
FX Impact on Total Operating Expenses	\$ 22	\$ 14	\$ 2	\$ (10)	\$ 28
FX Impact on Total Net Income (Loss)	\$ (9)	\$ (10)	\$ (2)	\$ 12	\$ (8)
Gross Margin by Segment (in millions):***					
Platform Solutions and Emerging Business	\$ 146	\$ 140	\$ 147	\$ 157	\$ 590
Architecture, Engineering and Construction	\$ 116	\$ 110	\$ 113	\$ 125	\$ 465
Manufacturing	\$ 86	\$ 88	\$ 84	\$ 101	\$ 359
Media and Entertainment	\$ 34	\$ 36	\$ 38	\$ 37	\$ 144
Unallocated amounts	\$ (9)	\$ (9)	\$ (10)	\$ (8)	\$ (36)
Common Stock Statistics:					
GAAP Shares Outstanding	228,219,000	229,666,000	229,665,000	228,881,000	228,881,000
GAAP Fully Diluted Weighted Average Shares Outstanding	227,080,000	232,286,000	232,947,000	233,324,000	232,314,000
Shares Repurchased	-	-	1,673,000	1,002,000	2,675,000
Installed Base Statistics:					
Maintenance Installed Base **	1,719,000	2,299,000	2,236,000	2,250,000	2,250,000

* Totals may not agree with the sum of the components due to rounding.

** The second quarter of fiscal 2010 maintenance installed base includes a one-time adjustment of 581,000 educational seats for users migrated to a standard educational maintenance plan. These users were not previously captured in our maintenance installed base.

*** In the third quarter of fiscal 2010, Autodesk changed its methodology for allocating certain revenue transactions, including gains and losses from foreign currency. The second quarter of fiscal 2010 amounts have been reclassified to conform to the current presentation. The change in methodology did not have a material effect on any other period.

(1) To supplement our consolidated financial statements presented on a GAAP basis, Autodesk provides investors with certain non-GAAP measures including non-GAAP net income, non-GAAP net income per share, non-GAAP cost of license and other revenue, non-GAAP gross margin, non-GAAP operating expenses, non-GAAP income from operations, non-GAAP interest and other income, net and non-GAAP provision for income taxes. These non-GAAP financial measures are adjusted to exclude certain costs, expenses, gains and losses, including stock-based compensation expense, restructuring charges, amortization of purchased intangibles, goodwill impairment, establishment of a valuation allowance on certain deferred tax assets and related income tax expenses. See our reconciliation of GAAP financial measures to non-GAAP financial measures herein. We believe these exclusions are appropriate to enhance an overall understanding of our past financial performance and also our prospects for the future, as well as to facilitate comparisons with our historical operating results. 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 non-GAAP results are an indication of our baseline performance before gains, losses or other charges that are considered by management to be outside our core operating results. In addition, these non-GAAP financial measures are among the primary indicators management uses as a basis for our planning and forecasting of future periods.

There are limitations in using non-GAAP financial measures because the non-GAAP financial measures are not prepared in accordance with generally accepted accounting principles and may be different from non-GAAP financial measures used by other companies. The non-GAAP financial measures are limited in value because they exclude certain items that may have a material impact upon our reported financial results. The presentation of this additional information is not meant to be considered in isolation or as a substitute for the directly comparable financial measures prepared in accordance with generally accepted accounting principles in the United States. Investors should review the reconciliation of the non-GAAP financial measures to their most directly comparable GAAP financial measures as provided in the tables accompanying Autodesk's press release.

(2) GAAP Gross Margin	88%	88%	89%	90%	89%
Stock-based compensation expense	0%	0%	0%	0%	0%
Amortization of developed technology	2%	2%	3%	2%	2%
Non-GAAP Gross Margin	90%	90%	92%	92%	91%
(3) GAAP Operating Expenses	\$ 393	\$ 362	\$ 346	\$ 356	\$ 1,457
Stock-based compensation expense	(22)	(21)	(30)	(19)	(91)
Amortization of customer relationships and trademarks	(6)	(7)	(6)	(6)	(26)
Restructuring charges	(17)	(26)	(5)	-	(48)
Impairment of goodwill	(21)	-	-	-	(21)
Non-GAAP Operating Expenses	\$ 327	\$ 308	\$ 305	\$ 331	\$ 1,271
(4) GAAP Operating Margin	-5%	1%	6%	12%	4%
Stock-based compensation expense	5%	5%	7%	4%	5%
Amortization of developed technology	2%	2%	2%	2%	2%
Amortization of customer relationships and trademarks	2%	2%	2%	2%	2%
Restructuring charges	4%	6%	1%	0%	3%
Impairment of goodwill	5%	0%	0%	0%	1%
Non-GAAP Operating Margin	13%	16%	18%	20%	17%

(5) GAAP Net Income (Loss)	\$	(32)	\$	10	\$	30	\$	50	\$	58
Stock-based compensation expense		23		21		30		19		93
Amortization of developed technology		8		8		9		8		33
Amortization of customer relationships and trademarks		6		7		6		6		26
Establishment of valuation allowance on deferred tax assets		21		-		-		-		21
Impairment of goodwill		21		-		-		-		21
Restructuring charges		17		26		5		-		48
Income tax effect on difference between GAAP and non-GAAP total costs and expenses at a normalized rate		(22)		(16)		(17)		(13)		(68)
Non-GAAP Net Income	\$	42	\$	56	\$	63	\$	70	\$	232
(6) GAAP Diluted Net Income (Loss) Per Share	\$	(0.14)	\$	0.05	\$	0.13	\$	0.21	\$	0.25
Stock-based compensation expense		0.10		0.09		0.13		0.08		0.40
Amortization of developed technology		0.04		0.03		0.04		0.03		0.14
Amortization of customer relationships and trademarks		0.03		0.03		0.02		0.03		0.11
Establishment of valuation allowance on deferred tax assets		0.09		-		-		-		0.09
Impairment of goodwill		0.09		-		-		-		0.09
Restructuring charges		0.07		0.11		0.02		-		0.21
Income tax effect on difference between GAAP and non-GAAP total costs and expenses at a normalized rate		(0.10)		(0.07)		(0.07)		(0.05)		(0.30)
Non-GAAP Diluted Net Income Per Share	\$	0.18	\$	0.24	\$	0.27	\$	0.30	\$	0.99

AUTODESK, INC. (ADSK)
FISCAL FOURTH QUARTER 2010 EARNINGS ANNOUNCEMENT
February 23, 2010
PREPARED REMARKS

Autodesk is posting a copy of these prepared remarks in combination with its press release to its investor Website. These prepared remarks are offered to provide shareholders and analysts with additional time and detail for analyzing our results in advance of our quarterly conference call. As previously scheduled, the conference call will begin today, February 23, 2010 at 2:00 pm PST (5:00 pm EST) and will include only brief comments followed by questions and answers. These prepared remarks will not be read on the call.

To access the live broadcast of the question and answer session, please visit the Investor Relations section of Autodesk's Website at www.autodesk.com/investor. A complete reconciliation between GAAP and non-GAAP results is provided in the tables following these prepared remarks.

Fourth Quarter Fiscal 2010 Overview

Fiscal 2010 was a challenging year by all accounts. Nevertheless, we finished the year with better than anticipated revenue and profitability in the fourth quarter. Our results were driven by a sequentially improving demand environment, continued competitive displacements, and cost containment.

- Revenue was \$456 million, an increase of 9 percent sequentially, and a decrease of 7 percent as compared to the fourth quarter of fiscal 2009.
- GAAP operating expenses in the fourth quarter increased 3 percent sequentially, consistent with normal seasonality, and decreased 38 percent compared to the fourth quarter last year.
- Non-GAAP operating expenses in the fourth quarter increased by 8 percent sequentially, consistent with normal seasonality, and decreased 11 percent compared to the fourth quarter last year.
- GAAP diluted earnings per share were \$0.21, compared to GAAP diluted earnings per share of \$0.13 in the third quarter of fiscal 2010, and a GAAP diluted loss per share of \$0.47 in the fourth quarter of fiscal 2009.
- Non-GAAP diluted earnings per share were \$0.30, compared to non-GAAP diluted earnings per share of \$0.27 in the third quarter of fiscal 2010, and non-GAAP diluted earnings per share of \$0.31 in the fourth quarter of fiscal 2009.

Solid sequential growth from most of our top products helped drive revenue in the fourth quarter. Large deals greater than one million dollars also had strong performance in the quarter. These large transactions were driven in part by pent-up demand and end of year budget spending. In addition to broadening our customer base, our channel partners and sales teams are focused on deeper account penetration of our significant global installed base. In the fourth quarter we had notable success stories including the growth of our data management product, Autodesk Vault Manufacturing.

In addition to better than anticipated revenue and profitability there were other positive data points in the fourth quarter. Revenue from commercial new seat licenses increased for the second consecutive quarter, growing 14 percent sequentially, with the strongest increases in AutoCAD and our Inventor family of products. Growth in revenue from commercial new seat licenses is a key element to the long-term growth of Autodesk.

We grew revenue sequentially in all product types: 2D horizontal, 2D vertical, and 3D model-based design solutions. Our 2D vertical products were key contributors to the sequential growth with strong increases in all products in this category.

Revenue from our 3D model-based design solutions grew in double digits sequentially. We believe that continued adoption of 3D model-based design solutions will also be a key long-term growth driver for Autodesk.

Revenue from emerging economies also posted solid sequential growth. We view emerging economies as another key long-term growth driver as our design, engineering and manufacturing solutions are ideally suited to help these countries build out their infrastructure to meet growing population, urbanization, and industrial demands.

For more than a year, Autodesk has been keenly focused on reducing operating expenses and increasing overall efficiency. Fourth quarter GAAP operating expenses increased 3 percent sequentially and decreased 38 percent compared to the fourth quarter last year. Non-GAAP operating expenses in the fourth quarter increased by 8 percent sequentially, consistent with normal seasonality, and decreased 11 percent compared to the fourth quarter last year.

GAAP total spend (GAAP cost of revenue plus GAAP operating expenses) decreased by \$423 million, or 20 percent in fiscal 2010 compared to fiscal 2009. We achieved a \$312 million reduction in non-GAAP total spend (non-GAAP cost of revenue plus non-GAAP operating expenses) in fiscal 2010 compared to fiscal 2009, significantly exceeding our initial goal of \$250 million and slightly exceeding our final goal. While the magnitude of the savings is significant, we also continued to invest throughout the year in areas important to the future success of Autodesk.

Going forward, we will continue to make the essential investments in Autodesk to ensure long term growth. At the same time, in the spirit of continuous improvement, we will continue to seek to optimally align our investments to improve our growth, productivity, cost structure and operational excellence. These actions are focused on increasing productivity across the organization and optimizing our investments.

Cash flow was another positive data point for the quarter. Cash flow from operations in the fourth quarter was \$126 million, an increase of 169 percent sequentially and 45 percent compared to the fourth quarter last year. Sequentially, cash flow was positively impacted by higher net income and an increase in deferred revenue. At the end of the fourth quarter, the company's cash and investments balance exceeded \$1.1 billion with no outstanding debt.

Autodesk's commitment to research and development has resulted in an unmatched portfolio of design, engineering, and entertainment software solutions. This combined with a strong balance sheet, outstanding employees, and an unparalleled channel, positions Autodesk for strong future growth.

Revenue Analysis

<i>(in millions)</i>	4Q 2009		1Q 2010		2Q 2010		3Q 2010		4Q 2010		FY 2010	
Total net revenue	\$	490	\$	426	\$	415	\$	417	\$	456	\$	1,714
License and other revenue	\$	310	\$	244	\$	231	\$	236	\$	270	\$	981
Maintenance revenue	\$	180	\$	182	\$	184	\$	181	\$	186	\$	733

Total net revenue for the fourth quarter was \$456 million, a 9 percent increase sequentially and a decrease of 7 percent as compared to the fourth quarter of fiscal 2009. At constant currency, revenue for the fourth quarter increased 8 percent sequentially and decreased 11 percent as compared to the fourth quarter of fiscal 2009.

License and other revenue was \$270 million, an increase of 14 percent sequentially, and a decrease of 13 percent compared to the fourth quarter last year.

Maintenance revenue was \$186 million, an increase of 3 percent sequentially and 4 percent compared to the fourth quarter last year.

Maintenance billings hit a record high in the fourth quarter, increasing 47 percent sequentially and 4 percent year-over-year. The significant sequential increase reflects normal seasonality as well as an increase in maintenance renewal rates.

Revenue by Geography

	4Q 2009		1Q 2010		2Q 2010		3Q 2010		4Q 2010		FY 2010	
EMEA	\$	219	\$	167	\$	157	\$	159	\$	188	\$	671
Americas	\$	172	\$	163	\$	159	\$	164	\$	168	\$	655
Asia Pacific	\$	99	\$	96	\$	99	\$	94	\$	100	\$	388
Emerging Economies	\$	80	\$	59	\$	63	\$	62	\$	73	\$	257
Emerging as a percentage of Total Revenue		16%		14%		15%		15%		16%		15%

EMEA revenue increased sequentially for the second consecutive quarter growing 18 percent as reported, and 15 percent at constant currency. EMEA revenue grew sequentially in all major countries. EMEA revenue declined 14 percent year-over-year as reported and 22 percent at constant currency.

Revenue in the Americas increased 3 percent sequentially and declined 2 percent compared to the fourth quarter last year. Revenue in the U.S., Canada, and Mexico grew sequentially. In addition, transactions greater than \$1 million were strong in the Americas, particularly in the AEC segment.

Revenue from Asia Pacific increased 6 percent sequentially as reported and 4 percent at constant currency. Compared to the fourth quarter of last year, revenue from Asia Pacific increased 1 percent as reported and decreased 4 percent at constant currency.

Revenue from emerging economies increased 18 percent sequentially as reported and decreased 8 percent compared to the fourth quarter of fiscal 2009. At constant currency, revenue from emerging economies increased 16 percent sequentially and decreased 12 percent compared to the fourth quarter of fiscal 2009. Performance of emerging economies was driven by significant sequential increases in China, Russia, and Mexico. Revenue from emerging economies represented 16 percent of total revenue in the quarter.

Revenue by Product Type

<i>3D Products as a % of Total Revenue</i>	4Q 2009	1Q 2010	2Q 2010	3Q 2010	4Q 2010	FY 2010
3D Model-Based Design Solutions Revenue %	29%	29%	29%	29%	29%	29%

Revenue from our 3D model-based design solutions was \$134 million, an increase of 10 percent sequentially and a decline of 7 percent compared to fourth quarter last year. We experienced sequential growth in almost all of our 3D products led by Inventor and Revit.

Our 2D horizontal products grew 9 percent sequentially, and decreased 9 percent compared to the fourth quarter last year. 2D vertical products grew the strongest sequentially with an increase of 23 percent. 2D vertical products decreased 7 percent compared to the fourth quarter last year. Combined revenue from 2D horizontal and 2D vertical products was \$213 million, an increase of 13 percent sequentially and a decrease of 8 percent compared to the fourth quarter of fiscal 2009.

Revenue by Business Segment

<i>Revenue by Segment (in millions)</i>	4Q 2009	1Q 2010	2Q 2010	3Q 2010	4Q 2010	FY 2010
Platform Solutions and Emerging Business	\$ 172	\$ 156	\$ 150	\$ 154	\$ 165	\$ 624
Architecture, Engineering and Construction	\$ 146	\$ 128	\$ 123	\$ 125	\$ 137	\$ 514
Manufacturing	\$ 115	\$ 94	\$ 95	\$ 90	\$ 108	\$ 387
Media and Entertainment	\$ 53	\$ 48	\$ 47	\$ 48	\$ 46	\$ 189
Other	\$ 4	\$ -	\$ -	\$ -	\$ -	\$ -

Revenue from our Platform Solutions and Emerging Business segment increased 7 percent sequentially to \$165 million. Platform Solutions decreased 4 percent compared to the fourth quarter last year.

Revenue from our AEC segment increased 10 percent sequentially to \$137 million and decreased 6 percent compared to the fourth quarter last year. Sequential growth was led by AutoCAD Architecture. Revenue from our Revit family of products increased 11 percent sequentially and decreased 8 percent compared to the fourth quarter last year.

Revenue from our Manufacturing segment was \$108 million, an increase of 20 percent sequentially and a decline of 6 percent compared to the fourth quarter last year. Revenue from the Inventor family of products increased 15 percent sequentially and decreased 6 percent compared to the fourth quarter last year.

Revenue from our Media and Entertainment segment was \$46 million, a 4 percent decrease sequentially and 12 percent decrease compared to the fourth quarter last year. Revenue from animation products decreased 6 percent sequentially and was flat compared to the fourth quarter last year. Revenue from Advanced Systems increased 3 percent sequentially and declined 31 percent compared to the fourth quarter last year.

Margins and EPS Review

Gross Margin	4Q 2009	1Q 2010	2Q 2010	3Q 2010	4Q 2010	FY 2010
Gross Margin - GAAP	90%	88%	88%	89%	90%	89%
Gross Margin - Non-GAAP	92%	90%	90%	92%	92%	91%
Operating Expenses (in millions)	4Q 2009	1Q 2010	2Q 2010	3Q 2010	4Q 2010	FY 2010
Operating Expenses - GAAP	\$ 575	\$ 393	\$ 362	\$ 346	\$ 356	\$ 1,456
Operating Expenses - Non-GAAP	\$ 372	\$ 327	\$ 308	\$ 305	\$ 331	\$ 1,271
Earnings Per Share	4Q 2009	1Q 2010	2Q 2010	3Q 2010	4Q 2010	FY 2010
Diluted Net Income (Loss) Per Share - GAAP	\$ (0.47)	\$ (0.14)	\$ 0.05	\$ 0.13	\$ 0.21	\$ 0.25
Diluted Net Income Per Share - Non-GAAP	\$ 0.31	\$ 0.18	\$ 0.24	\$ 0.27	\$ 0.30	\$ 0.99

GAAP gross margin in the fourth quarter was 90 percent. Non-GAAP gross margin in the fourth quarter was 92 percent.

GAAP operating margin was 12 percent, an increase of 6 percentage points on a sequential basis and 39 percentage points compared to the fourth quarter last year, driven primarily by sequentially lower stock-based compensation expenses and reduced impairment and restructuring costs compared to the fourth quarter last year. Non-GAAP operating margin was 20 percent, an increase of 2 percentage points sequentially and 4 percentage points compared to the fourth quarter last year.

The fourth quarter effective tax rate was 15 percent for our GAAP results and 24 percent for our non-GAAP results. The effective tax rate includes a one-time tax benefit of \$3.7 million for our GAAP results.

Earnings per diluted share for the fourth quarter were \$0.21 GAAP and \$0.30 non-GAAP.

A complete reconciliation between GAAP and non-GAAP results is provided in the tables following these prepared remarks.

Foreign Exchange Impact

*Favorable (Unfavorable) Impact of U.S. Dollar
Translation Relative to Foreign Currencies
Compared to Comparable Prior Year Period (in
millions)*

	4Q 2009	1Q 2010	2Q 2010	3Q 2010	4Q 2010	FY 2010
FX Impact on Total Net Revenue	\$ (19)	\$ (31)	\$ (24)	\$ (4)	\$ 22	\$ (36)
FX Impact on Operating Expenses	\$ 17	\$ 22	\$ 14	\$ 2	\$ (10)	\$ 28
FX Impact on Operating Income (Loss)	\$ (2)	\$ (9)	\$ (10)	\$ (2)	\$ 12	\$ (8)

Compared to the third quarter, the foreign currency impact was \$7 million favorable on revenue and \$2 million unfavorable on expenses.

Compared to the fourth quarter of last year, the impact of foreign currency exchange rates in the fourth quarter was \$22 million favorable on revenue and \$10 million unfavorable on expenses.

Balance Sheet Items and Cash Review

<i>Financial Statistics (in millions)</i>	4Q 2009		1Q 2010		2Q 2010		3Q 2010		4Q 2010
Total Cash and Marketable Securities	\$	989	\$	966	\$	1,029	\$	1,054	\$ 1,126
Days Sales Outstanding		59		49		49		47	55
Capital Expenditures	\$	19	\$	14	\$	11	\$	6	\$ 9
Cash Flow from Operating Activities	\$	86	\$	27	\$	47	\$	47	\$ 126
Depreciation and Amortization	\$	27	\$	27	\$	28	\$	29	\$ 27
Deferred Revenue	\$	552	\$	534	\$	502	\$	470	\$ 517

Total cash and investments at the end of the fourth quarter was over \$1.1 billion, or approximately \$4.92 in cash per share of common stock outstanding.

During the fourth quarter Autodesk used \$24 million to repurchase approximately 1.0 million shares of common stock at an average price of \$23.75 per share. In fiscal 2010 Autodesk used \$63 million to repurchase approximately 2.7 million shares of common stock at an average price of \$23.63 per share.

Cash flow from operating activities during the fourth quarter was \$126 million, an increase of 169 percent sequentially and 45 percent compared to the fourth quarter last year.

Shippable backlog at the end of the fourth quarter increased by \$14 million sequentially to \$26 million.

Deferred revenue was \$517 million, a 10 percent increase sequentially and a decline of 6 percent compared to the fourth quarter last year. The sequential increase is primarily due to the significant increase in maintenance billings.

Total backlog at the end of the fourth quarter, including deferred revenue and shippable backlog orders was \$543 million, a decrease of \$27 million compared to the fourth quarter of last year.

Channel inventory at the end of the fourth quarter declined sequentially in weeks and in dollars. At the end of the fourth quarter, channel inventory was less than three weeks.

DSO was 55 days in the fourth quarter, an increase sequentially due to seasonality of maintenance billings, however lower than the fourth quarter last year.

Business Outlook

Our guidance is based on our current expectations and the information we have available today, including currency exchange rates.

First Quarter Fiscal 2011

<i>1Q FY11 Guidance Metrics</i>	1Q FY11 (ending April 30, 2010)
Revenue (in millions)	\$420 to \$440
EPS - GAAP	\$0.02 to \$0.07
EPS - Non-GAAP	\$0.18 to \$0.23

First quarter outlook assumes an effective tax rate of 27 percent. The increase in the tax rate from fiscal 2010 is primarily due to expiration of the research and development tax credit. Non-GAAP earnings per diluted share exclude \$0.08 related to stock-based compensation expense, \$0.05 for amortization of acquisition related intangibles, and \$0.03 for restructuring related charges.

Autodesk is not providing specific revenue or EPS guidance for fiscal 2011 at this time. However, GAAP operating margin for the full year fiscal 2011 is expected to increase significantly compared to fiscal 2010. Autodesk continues to anticipate modest improvement in non-GAAP operating margin for full year fiscal 2011 compared to fiscal 2010.

For fiscal 2011, non-GAAP operating margin excludes stock-based compensation expense, amortization of acquisition related intangibles, and restructuring related charges.

Safe Harbor Statement

These prepared remarks contain forward-looking statements that involve risks and uncertainties, including statements in the paragraphs under "Business Outlook", statements regarding anticipated market, economic, maintenance billings, and revenue trends, cost savings, operational and efficiency investments, revenue performance (including by geography and product), market and product positions and other statements regarding our expected strategies, performance and results. Other factors that could cause actual results to differ materially include the following: general market, economic and business conditions, our performance in particular geographies, including emerging economies, the financial and business condition of our reseller and distribution channels, fluctuation in foreign currency exchange rates, failure to achieve and maintain planned cost reductions and productivity increases, slowing momentum in maintenance revenues, failure to achieve sufficient sell-through in our channels for new or existing products, pricing pressure, failure to achieve continued migration from 2D products to 3D products, difficulties encountered in integrating new or acquired businesses and technologies, the inability to identify and realize the anticipated benefits of acquisitions, unexpected fluctuations in our tax rate, the timing and degree of expected investments in growth and efficiency opportunities, changes in the timing of product releases and retirements, failure of key new applications to achieve anticipated levels of customer acceptance, failure to achieve continued success in technology advancements, interruptions or terminations in the business of Autodesk consultants, and any unanticipated accounting charges.

Further information on potential factors that could affect the financial results of Autodesk are included in Autodesk's reports on Form 10-K for the year ended January 31, 2009 and Forms 10-Q for the quarters ended April 30, 2009, July 31, 2009 and October 31, 2009, which are on file with the U.S. Securities and Exchange Commission. Autodesk does not assume any obligation to update the forward-looking statements provided to reflect events that occur or circumstances that exist after the date on which they were made.

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Autodesk

Other Supplemental Financial Information*

Fiscal Year 2010	QTR 1	QTR 2	QTR 3	QTR 4	YTD 2010
Financial Statistics (\$ in millions, except per share data):					
Total net revenue	\$ 426	\$ 415	\$ 417	\$ 456	\$ 1,714
License and other revenue	\$ 244	\$ 231	\$ 236	\$ 270	\$ 981
Maintenance revenue	\$ 182	\$ 184	\$ 181	\$ 186	\$ 733
GAAP Gross Margin	88%	88%	89%	90%	89%
Non-GAAP Gross Margin (1)(2)	90%	90%	92%	92%	91%
GAAP Operating Expenses	\$ 393	\$ 362	\$ 346	\$ 356	\$ 1,456
GAAP Operating Margin	-5%	1%	6%	12%	4%
GAAP Net Income (Loss)	\$ (32)	\$ 10	\$ 30	\$ 50	\$ 58
GAAP Diluted Net Income (Loss) Per Share	\$ (0.14)	\$ 0.05	\$ 0.13	\$ 0.21	\$ 0.25
Non-GAAP Operating Expenses (1)(3)	\$ 327	\$ 308	\$ 305	\$ 331	\$ 1,271
Non-GAAP Operating Margin (1)(4)	13%	16%	18%	20%	17%
Non-GAAP Net Income (1)(5)	\$ 42	\$ 57	\$ 63	\$ 70	\$ 232
Non-GAAP Diluted Net Income Per Share (1)(6)	\$ 0.18	\$ 0.24	\$ 0.27	\$ 0.30	\$ 0.99
Total Cash and Marketable Securities	\$ 966	\$ 1,029	\$ 1,054	\$ 1,126	\$ 1,126
Days Sales Outstanding	49	49	47	55	55
Capital Expenditures	\$ 14	\$ 11	\$ 6	\$ 9	\$ 39
Cash from Operations	\$ 27	\$ 47	\$ 47	\$ 126	\$ 247
GAAP Depreciation and Amortization	\$ 27	\$ 28	\$ 29	\$ 27	\$ 111
Deferred Maintenance Revenue Balance	\$ 469	\$ 444	\$ 420	\$ 464	\$ 464
Revenue by Geography (in millions):					
Americas	\$ 163	\$ 159	\$ 164	\$ 168	\$ 655
Europe	\$ 167	\$ 157	\$ 159	\$ 188	\$ 671
Asia/Pacific	\$ 96	\$ 99	\$ 94	\$ 100	\$ 388
Revenue by Segment (in millions):***					
Platform Solutions and Emerging Business	\$ 156	\$ 150	\$ 154	\$ 165	\$ 624
Architecture, Engineering and Construction	\$ 128	\$ 123	\$ 125	\$ 137	\$ 514
Manufacturing	\$ 94	\$ 95	\$ 90	\$ 108	\$ 387
Media and Entertainment	\$ 48	\$ 47	\$ 48	\$ 46	\$ 189
Other	\$ -	\$ -	\$ -	\$ -	\$ -
Other Revenue Statistics:					
% of Total Rev from AutoCAD and AutoCAD LT***	33%	31%	32%	31%	32%
% of Total Rev from 3D design products	29%	29%	29%	29%	29%
% of Total Rev from Emerging Economies	14%	15%	15%	16%	15%
Upgrade Revenue (in millions)	\$ 43	\$ 26	\$ 26	\$ 37	\$ 133
Favorable (Unfavorable) Impact of U.S. Dollar Translation Relative to Foreign Currencies Compared to Comparable Prior Year Period (in millions):					
FX Impact on Total Net Revenue	\$ (31)	\$ (24)	\$ (4)	\$ 22	\$ (36)
FX Impact on Total Operating Expenses	\$ 22	\$ 14	\$ 2	\$ (10)	\$ 28
FX Impact on Total Net Income (Loss)	\$ (9)	\$ (10)	\$ (2)	\$ 12	\$ (8)
Gross Margin by Segment (in millions):***					
Platform Solutions and Emerging Business	\$ 146	\$ 140	\$ 147	\$ 157	\$ 590
Architecture, Engineering and Construction	\$ 116	\$ 110	\$ 113	\$ 125	\$ 465
Manufacturing	\$ 86	\$ 88	\$ 84	\$ 101	\$ 359
Media and Entertainment	\$ 34	\$ 36	\$ 38	\$ 37	\$ 144
Unallocated amounts	\$ (9)	\$ (9)	\$ (10)	\$ (8)	\$ (36)
Common Stock Statistics:					
GAAP Shares Outstanding	228,219,000	229,666,000	229,665,000	228,881,000	228,881,000
GAAP Fully Diluted Weighted Average Shares Outstanding	227,080,000	232,286,000	232,947,000	233,324,000	232,314,000
Shares Repurchased	-	-	1,673,000	1,002,000	2,675,000
Installed Base Statistics:					
Maintenance Installed Base **	1,719,000	2,299,000	2,236,000	2,250,000	2,250,000

* Totals may not agree with the sum of the components due to rounding.

** The second quarter of fiscal 2010 maintenance installed base includes a one-time adjustment of 581,000 educational seats for users migrated to a standard educational maintenance plan. These users were not previously captured in our maintenance installed base.

*** In the third quarter of fiscal 2010, Autodesk changed its methodology for allocating certain revenue transactions, including gains and losses from foreign currency. The second quarter of fiscal 2010 amounts have been reclassified to conform to the current presentation. The change in methodology did not have a material effect on any other period.

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(1) To supplement our consolidated financial statements presented on a GAAP basis, Autodesk provides investors with certain non-GAAP measures including non-GAAP net income, non-GAAP net income per share, non-GAAP cost of license and other revenue, non-GAAP gross margin, non-GAAP operating expenses, non-GAAP income from operations, non-GAAP interest and other income, net, non-GAAP provision for income taxes and non-GAAP total spend savings. These non-GAAP financial measures are adjusted to exclude certain costs, expenses, gains and losses, including stock-based compensation expense, restructuring charges, amortization of purchased intangibles, goodwill impairment, establishment of a valuation allowance on certain deferred tax assets and related income tax expenses. See our reconciliation of GAAP financial measures to non-GAAP financial measures herein. We believe these exclusions are appropriate to enhance an overall understanding of our past financial performance and also our prospects for the future, as well as to facilitate comparisons with our historical operating results. 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 non-GAAP results are an indication of our baseline performance before gains, losses or other charges that are considered by management to be outside our core operating results. In addition, these non-GAAP financial measures are among the primary indicators management uses as a basis for our planning and forecasting of future periods.

There are limitations in using non-GAAP financial measures because the non-GAAP financial measures are not prepared in accordance with generally accepted accounting principles and may be different from non-GAAP financial measures used by other companies. The non-GAAP financial measures are limited in value because they exclude certain items that may have a material impact upon our reported financial results. The presentation of this additional information is not meant to be considered in isolation or as a substitute for the directly comparable financial measures prepared in accordance with generally accepted accounting principles in the United States. Investors should review the reconciliation of the non-GAAP financial measures to their most directly comparable GAAP financial measures as provided in the tables accompanying Autodesk's press release.

(2) GAAP Gross Margin	88%	88%	89%	90%	89%
Stock-based compensation expense	0%	0%	0%	0%	0%
Amortization of developed technology	2%	2%	3%	2%	2%
Non-GAAP Gross Margin	90%	90%	92%	92%	91%

(3) GAAP Operating Expenses	\$	393	\$	362	\$	346	\$	356	\$	1,457
Stock-based compensation expense		(22)		(21)		(30)		(19)		(91)
Amortization of customer relationships and trademarks		(6)		(7)		(6)		(6)		(26)
Restructuring charges		(17)		(26)		(5)		-		(48)
Impairment of goodwill		(21)		-		-		-		(21)
Non-GAAP Operating Expenses	\$	327	\$	308	\$	305	\$	331	\$	1,271

(4) GAAP Operating Margin	-5%	1%	6%	12%	4%
Stock-based compensation expense	5%	5%	7%	4%	5%
Amortization of developed technology	2%	2%	2%	2%	2%
Amortization of customer relationships and trademarks	2%	2%	2%	2%	2%
Restructuring charges	4%	6%	1%	0%	3%
Impairment of goodwill	5%	0%	0%	0%	1%
Non-GAAP Operating Margin	13%	16%	18%	20%	17%

(5) GAAP Net Income (Loss)	\$	(32)	\$	10	\$	30	\$	50	\$	58
Stock-based compensation expense		23		21		30		19		93
Amortization of developed technology		8		8		9		8		33
Amortization of customer relationships and trademarks		6		7		6		6		26
Establishment of valuation allowance on deferred tax assets		21		-		-		-		21
Impairment of goodwill		21		-		-		-		21
Restructuring charges		17		26		5		-		48
Income tax effect on difference between GAAP and non-GAAP total costs and expenses at a normalized rate		(22)		(16)		(17)		(13)		(68)
Non-GAAP Net Income	\$	42	\$	56	\$	63	\$	70	\$	232

(6) GAAP Diluted Net Income (Loss) Per Share	\$	(0.14)	\$	0.05	\$	0.13	\$	0.21	\$	0.25
Stock-based compensation expense		0.10		0.09		0.13		0.08		0.40
Amortization of developed technology		0.04		0.03		0.04		0.03		0.14
Amortization of customer relationships and trademarks		0.03		0.03		0.02		0.03		0.11
Establishment of valuation allowance on deferred tax assets		0.09		-		-		-		0.09
Impairment of goodwill		0.09		-		-		-		0.09
Restructuring charges		0.07		0.11		0.02		-		0.21
Income tax effect on difference between GAAP and non-GAAP total costs and expenses at a normalized rate		(0.10)		(0.07)		(0.07)		(0.05)		(0.30)
Non-GAAP Diluted Net Income Per Share	\$	0.18	\$	0.24	\$	0.27	\$	0.30	\$	0.99

GAAP total spend savings +								\$	423
Stock-based compensation expense									3
Amortization of developed technology									10
Amortization of customer relationships and trademarks									3
In-process research and development									(27)
Impairment of goodwill and intangibles									(108)
Restructuring charges									8
Non-GAAP total spend savings +								\$	312

+ FY 2010 operating expenses and cost of revenue, less FY 2009 operating expenses and cost of revenue

Autodesk

Fiscal Year 2009		QTR 1	QTR 2	QTR 3	QTR 4	YTD 2009
Financial Statistics (\$ in millions, except per share data):						
Total net revenue	\$	599	\$ 620	\$ 607	\$ 490	\$ 2,315
License and other revenue	\$	432	\$ 440	\$ 421	\$ 310	\$ 1,603
Maintenance revenue	\$	167	\$ 180	\$ 186	\$ 180	\$ 712
GAAP Gross Margin		90%	90%	91%	90%	91%
Non-GAAP Gross Margin (1)(2)		91%	91%	93%	92%	92%
GAAP Operating Expenses	\$	421	\$ 441	\$ 415	\$ 575	\$ 1,852
GAAP Operating Margin		20%	19%	23%	-27%	11%
GAAP Net Income (Loss)	\$	95	\$ 90	\$ 104	\$ (105)	\$ 184
GAAP Diluted Net Income (Loss) Per Share	\$	0.41	\$ 0.39	\$ 0.45	\$ (0.47)	\$ 0.80
Non-GAAP Operating Expenses (1)(3)	\$	394	\$ 396	\$ 385	\$ 372	\$ 1,546
Non-GAAP Operating Margin (1)(4)		25%	28%	29%	16%	25%
Non-GAAP Net Income (1)(5)	\$	117	\$ 130	\$ 130	\$ 70	\$ 448
Non-GAAP Diluted Net Income Per Share (1)(6)	\$	0.50	\$ 0.56	\$ 0.56	\$ 0.31	\$ 1.95
Total Cash and Marketable Securities	\$	950	\$ 970	\$ 941	\$ 989	\$ 989
Days Sales Outstanding		51	48	44	59	59
Capital Expenditures	\$	14	\$ 26	\$ 19	\$ 19	\$ 78
Cash from Operations	\$	185	\$ 215	\$ 107	\$ 86	\$ 594
GAAP Depreciation and Amortization	\$	17	\$ 22	\$ 25	\$ 27	\$ 92
Deferred Maintenance Revenue Balance	\$	474	\$ 488	\$ 433	\$ 475	\$ 475
Revenue by Geography (in millions):						
Americas	\$	191	\$ 203	\$ 216	\$ 172	\$ 782
Europe	\$	259	\$ 267	\$ 258	\$ 219	\$ 1,003
Asia/Pacific	\$	149	\$ 150	\$ 133	\$ 99	\$ 530
Revenue by Segment (in millions):						
Platform Solutions and Emerging Business	\$	253	\$ 237	\$ 239	\$ 172	\$ 901
Architecture, Engineering and Construction	\$	155	\$ 176	\$ 164	\$ 146	\$ 641
Manufacturing	\$	119	\$ 131	\$ 124	\$ 115	\$ 489
Media and Entertainment	\$	67	\$ 69	\$ 73	\$ 53	\$ 262
Other	\$	5	\$ 6	\$ 7	\$ 4	\$ 22
Other Revenue Statistics:						
% of Total Rev from AutoCAD and AutoCAD LT		41%	35%	35%	32%	36%
% of Total Rev from 3D design products		24%	26%	27%	29%	27%
% of Total Rev from Emerging Economies		17%	18%	19%	16%	18%
Upgrade Revenue (in millions)	\$	61	\$ 58	\$ 41	\$ 34	\$ 194
Favorable (Unfavorable) Impact of U.S. Dollar Translation Relative to Foreign Currencies Compared to Comparable Prior Year Period (in millions):						
FX Impact on Total Net Revenue	\$	41	\$ 42	\$ 18	\$ (19)	\$ 82
FX Impact on Total Operating Expenses	\$	(14)	\$ (11)	\$ (3)	\$ 17	\$ (11)
FX Impact on Total Net Income (Loss)	\$	27	\$ 31	\$ 15	\$ (2)	\$ 71
Gross Margin by Segment (in millions):						
Platform Solutions and Emerging Business	\$	240	\$ 226	\$ 231	\$ 164	\$ 861
Architecture, Engineering and Construction	\$	143	\$ 162	\$ 152	\$ 135	\$ 592
Manufacturing	\$	110	\$ 122	\$ 117	\$ 108	\$ 457
Media and Entertainment	\$	49	\$ 52	\$ 57	\$ 40	\$ 198
Unallocated amounts	\$	(1)	\$ (2)	\$ (3)	\$ (6)	\$ (12)
Common Stock Statistics:						
GAAP Shares Outstanding		223,616,000	224,528,000	226,248,000	226,354,000	226,354,000
GAAP Fully Diluted Weighted Average Shares Outstanding		232,607,000	231,078,000	230,364,000	226,299,000	230,068,000
Shares Repurchased		8,001,000	-	-	-	8,001,000
Installed Base Statistics:						
Maintenance Installed Base		1,587,000	1,644,000	1,696,000	1,704,000	1,704,000

Note: Totals may not agree with the sum of the components due to rounding.

Autodesk

(1) To supplement our consolidated financial statements presented on a GAAP basis, Autodesk provides investors with certain non-GAAP measures including non-GAAP net income, non-GAAP net income per share, non-GAAP cost of license and other revenue, non-GAAP gross margin, non-GAAP operating expenses, non-GAAP income from operations, non-GAAP interest and other income, net and non-GAAP provision for income taxes. These non-GAAP financial measures are adjusted to exclude certain costs, expenses, gains and losses, including stock-based compensation expense, employee tax reimbursements related to our stock option review, in-process research and development expenses, restructuring charges, amortization of purchased intangibles, asset impairment and related income tax expenses. See our reconciliation of GAAP financial measures to non-GAAP financial measures herein. We believe these exclusions are appropriate to enhance an overall understanding of our past financial performance and also our prospects for the future, as well as to facilitate comparisons with our historical operating results. 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 non-GAAP results are an indication of our baseline performance before gains, losses or other charges that are considered by management to be outside our core operating results. In addition, these non-GAAP financial measures are among the primary indicators management uses as a basis for our planning and forecasting of future periods.

There are limitations in using non-GAAP financial measures because the non-GAAP financial measures are not prepared in accordance with generally accepted accounting principles and may be different from non-GAAP financial measures used by other companies. The non-GAAP financial measures are limited in value because they exclude certain items that may have a material impact upon our reported financial results. The presentation of this additional information is not meant to be considered in isolation or as a substitute for the directly comparable financial measures prepared in accordance with generally accepted accounting principles in the United States. Investors should review the reconciliation of the non-GAAP financial measures to their most directly comparable GAAP financial measures as provided in the tables accompanying Autodesk's press release.

(2) GAAP Gross Margin	90%	90%	91%	90%	91%
Stock-based compensation expense	0%	0%	0%	0%	0%
Amortization of developed technology	1%	1%	2%	2%	1%
Non-GAAP Gross Margin	91%	91%	93%	92%	92%
(3) GAAP Operating Expenses	\$ 421	\$ 441	\$ 415	\$ 575	\$ 1,852
Stock-based compensation expense	(24)	(22)	(21)	(18)	(87)
Amortization of customer relationships and trademarks	(3)	(6)	(7)	(7)	(24)
In-process research and development	-	(17)	(1)	(9)	(27)
Restructuring charges	-	-	-	(40)	(40)
Impairment of goodwill and intangibles	-	-	-	(129)	(129)
Non-GAAP Operating Expenses	\$ 394	\$ 396	\$ 385	\$ 372	\$ 1,546
(4) GAAP Operating Margin	20%	19%	23%	-27%	11%
Stock-based compensation expense	4%	4%	4%	4%	4%
Amortization of developed technology	1%	1%	1%	2%	1%
Amortization of customer relationships and trademarks	0%	1%	1%	1%	1%
In-process research and development	0%	3%	0%	2%	1%
Restructuring charges	0%	0%	0%	8%	2%
Impairment of goodwill and intangibles	0%	0%	0%	26%	6%
Non-GAAP Operating Margin	25%	28%	29%	16%	25%
(5) GAAP Net Income (Loss)	\$ 95	\$ 90	\$ 104	\$ (105)	\$ 184
Stock-based compensation expense	25	23	23	19	90
Amortization of developed technology	4	5	6	8	23
Amortization of customer relationships and trademarks	3	6	7	7	24
In-process research and development	-	17	1	9	27
Impairment of goodwill and intangibles	-	-	-	129	129
Restructuring charges	-	-	-	40	40
Income tax effect on difference between GAAP and non-GAAP total costs and expenses at a normalized rate	(9)	(11)	(12)	(36)	(68)
Non-GAAP Net Income	\$ 117	\$ 130	\$ 130	\$ 70	\$ 448
(6) GAAP Diluted Net Income (Loss) Per Share	\$ 0.41	\$ 0.39	\$ 0.45	\$ (0.47)	\$ 0.80
Stock-based compensation expense	0.11	0.10	0.10	0.08	0.39
Amortization of developed technology	0.01	0.02	0.03	0.04	0.10
Amortization of customer relationships and trademarks	0.01	0.03	0.03	0.03	0.10
In-process research and development	-	0.07	-	0.04	0.12
Impairment of goodwill and intangibles	-	-	-	0.56	0.56
Restructuring charges	-	-	-	0.18	0.18
Income tax effect on difference between GAAP and non-GAAP total costs and expenses at a normalized rate	(0.04)	(0.05)	(0.05)	(0.15)	(0.30)
Non-GAAP Diluted Net Income Per Share	\$ 0.50	\$ 0.56	\$ 0.56	\$ 0.31	\$ 1.95