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UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 10-Q

(Mark One)

X Quarterly report pursuant to Section 13 or 15(d) of the Securities Exchange
- - --- Act of 1934

FOR THE PERIOD ENDED JULY 31, 1994

OR

__ Transition report pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

COMMISSION FILE NUMBER: 0-14338

AUTODESK, INC.
(Exact name of registrant as specified in its charter)

DELAWARE	94-2819853
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)

2320 MARINSHIP WAY
SAUSALITO, CALIFORNIA 94965
(Address of principal executive offices)

TELEPHONE NUMBER (415) 332-2344
(Registrant's telephone number, including area code)

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days:

Yes X No __

As of September 8, 1994, there were 23,479,000 shares of the Registrant's Common Stock outstanding.

AUTODESK, INC.

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PART I. FINANCIAL INFORMATION

ITEM 1. CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

AUTODESK, INC.
CONDENSED CONSOLIDATED STATEMENT OF INCOME
(In thousands, except per share data)
(Unaudited)

	Three months ended July 31,		Six months ended July 31,	
	1994	1993	1994	1993
Revenues	$112,832	$106,910	$222,382	$212,308
Direct commissions	2,573	3,297	5,545	7,030
Net revenues	110,259	103,613	216,837	205,278
Costs and expenses:				
Cost of revenues	15,136	16,748	30,235	33,752
Marketing and sales	37,575	34,488	74,135	69,492
Research and development	16,862	13,559	32,445	26,747
General and administrative	16,288	14,883	31,284	29,522
	85,861	79,678	168,099	159,513
Income from operations	24,398	23,935	48,738	45,765
Interest and other income, net	1,723	1,601	3,282	3,723
Income before income taxes	26,121	25,536	52,020	49,488
Provision for income taxes	9,534	9,065	18,987	17,575
Net income	$ 16,587	$ 16,471	$ 33,033	$ 31,913
Net income per share	$.68	$.65	$1.33	$1.27
Shares used in computing net income per share	24,500	25,260	24,810	25,080

See accompanying notes.

AUTODESK, INC.
CONDENSED CONSOLIDATED BALANCE SHEET
ASSETS
(In thousands)

	July 31, 1994 (Unaudited)	January 31, 1994 (Audited)
Current assets:		
Cash and cash equivalents	$123,983	$ 85,604
Marketable securities	54,998	92,004
Accounts receivable, net	78,720	71,245
Inventories	3,717	8,803
Deferred income taxes	17,011	14,052
Prepaid expenses and other current assets	11,191	7,849
Total current assets	289,620	279,557
Marketable securities	35,759	39,403
Computer equipment, furniture and leasehold improvements, at cost:		
Computer equipment and furniture	85,112	76,165
Leasehold improvements	18,350	16,787
Less accumulated depreciation	(59,822)	(51,003)
Net computer equipment, furniture and leasehold improvements	43,640	41,949
Capitalized software	26,908	28,046
Other assets	18,169	15,919
	$414,096	$404,874

See accompanying notes.

AUTODESK, INC.
CONDENSED CONSOLIDATED BALANCE SHEET
LIABILITIES AND SHAREHOLDERS' EQUITY
(In thousands)

	July 31, 1994 (Unaudited)	January 31, 1994 (Audited)
Current liabilities:		
Accounts payable	$ 16,576	$ 17,206
Accrued compensation	12,392	12,931
Accrued income taxes	42,293	45,136
Other accrued liabilities	32,434	27,043
Total current liabilities	103,695	102,316
Deferred income taxes	3,006	5,096
Other liabilities	729	583
Shareholders' equity:		
Common stock	69,318	43,769
Retained earnings	234,058	257,052
Foreign currency translation adjustment	3,290	(3,942)
Total shareholders' equity	306,666	296,879
	$414,096	$404,874

See accompanying notes.

AUTODESK, INC.
CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
(In thousands)
(Unaudited)

	Six months ended July 31, 1994	Six months ended July 31, 1993
Operating activities		
Net income	$ 33,033	$ 31,913
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	12,777	10,725
Changes in operating assets and liabilities	(6,324)	(4,573)
Net cash provided by operating activities	39,486	38,065
Investing activities		
Sales (purchases) of marketable securities	40,650	(1,071)
Purchases of computer equipment, furniture and leasehold improvements	(8,934)	(7,590)
Capitalization of software costs and purchases of software technologies	(2,669)	(631)
Other	324	(1,011)
Net cash provided (used) by investing activities	29,371	(10,303)
Financing activities		
Proceeds from issuance of common shares	27,409	31,129
Repurchase of common shares	(52,223)	(41,985)
Dividends paid	(5,664)	(5,775)
Net cash used in financing activities	(30,478)	(16,631)
Net increase in cash and cash equivalents	38,379	11,131
Cash and cash equivalents at beginning of year	85,604	73,107
Cash and cash equivalents at end of quarter	$123,983	$ 84,238

See accompanying notes.

AUTODESK, INC.
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

1. The condensed consolidated financial statements at July 31, 1994 and for the three- and six-month periods then ended are unaudited and reflect all adjustments (consisting only of normal recurring adjustments) which are, in the opinion of management, necessary for a fair presentation of the financial position and operating results for the interim periods. The condensed consolidated financial statements should be read in conjunction with the consolidated financial statements and notes thereto, together with management's discussion and analysis of financial condition and results of operations, contained in the Company's Annual Report to Shareholders incorporated by reference in the Company's Annual Report on Form 10-K for the fiscal year ended January 31, 1994. The results of operations for the three and six months ended July 31, 1994 are not necessarily indicative of the results for the entire fiscal year ending January 31, 1995.

2. Effective February 1, 1994, the Company adopted Statement of Financial Accounting Standards No. 115, "Accounting for Certain Investments in Debt and Equity Securities" ("SFAS No. 115"). SFAS No. 115 has been adopted on a prospective basis and the financial statements of prior years have not been restated. The cumulative effect as of February 1, 1994 of adopting SFAS No. 115 was not material.

   Under SFAS No. 115, management is required to determine the appropriate classification of its securities at the time of purchase and reevaluate such designation as of each balance sheet date. The Company has classified all of its marketable securities as available-for-sale. Available-for-sale securities are carried at fair value, with unrealized gains and losses, net of tax, reported as a separate component of shareholders' equity until disposition. Realized gains and losses and declines in value judged to be other than temporary on available-for-sale securities are included in interest and other income. The cost of securities sold is based on the specific identification method.

   Marketable securities include the following available-for-sale debt securities as of July 31, 1994 (in thousands):

Short-term:	
Municipal bonds	$47,017
Time deposits	7,981
	54,998
Long-term:	
Municipal bonds	35,759
	$90,757

   The cost of the above available-for-sale securities approximates market as of July 31, 1994. The contractual maturities for the Company's marketable securities at July 31, 1994 were: one year or less-$55.0 million; due between one and two years-$27.0 million; and due after three years-$8.8 million. Expected maturities will differ from contractual maturities because the issuers of the securities may have the right to prepay obligations without prepayment penalties. Gross realized gains and losses on sales of available-for-sale securities for the quarter and six months ended July 31, 1994 were not material.

3. At the Company's Annual Meeting of Shareholders held on June 28, 1993, a proposal was approved to change the Company's state of incorporation from California to Delaware. This change was effected on August 4, 1994.

4. On September 6, 1994, the Company declared a cash dividend of $.12 per share to stockholders of record on September 19, 1994. The dividend will be paid on October 3, 1994.

ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

RESULTS OF OPERATIONS

Three Months Ended July 31, 1994 and 1993

Net revenues. The Company's second quarter net revenues of $110.3 million increased 6 percent over second quarter net revenues in the prior fiscal year. The increase principally resulted from sales growth in Asia/Pacific and Europe, while net revenues in the Americas were flat with the prior fiscal year. Much of the growth in consolidated net revenues resulted from sales of newer product offerings such as AutoCAD LT, AutoCAD Data Extension, AutoCAD Designer and product offerings from the Company's Emerging Businesses Group including sales of 3D Studio, AutoVision and HOOPS. Consolidated revenues for the quarter ended July 31, 1994 derived from AutoCAD and AutoCAD updates decreased in both absolute dollars and as a percentage of consolidated net revenues from the same period in the prior fiscal year as AutoCAD Release 12 nears the end of its product life cycle. International sales, including exports from the U.S., accounted for approximately 63 percent of the Company's revenues in the second quarter of fiscal year 1995 as compared to 58 percent for the second quarter of fiscal year 1994. Net revenues in the second quarter of fiscal year 1995, when compared to the same period in the prior fiscal year, were favorably impacted by changes in foreign exchange rates.

The Company believes that net revenues in its third fiscal quarter ending October 31, 1994 may be negatively impacted by a continued slowdown in sales of AutoCAD and related updates as AutoCAD Release 12 nears the end of its product life cycle. Although the Company plans to ship AutoCAD Release 13 in the third fiscal quarter, the release is not anticipated until late in the quarter and sales of the new release are not expected to offset the projected slowdown in AutoCAD Release 12 sales. While the Company expects that new products introduced in recent quarters as well as products expected to be introduced in the coming quarter will partially offset the decrease in AutoCAD revenues, delays in the introduction of or lower-than-anticipated demand for these products could adversely affect future revenues. Consequently, the Company expects a decrease in net revenues in the quarter ending October 31, 1994. Any delays in the release of AutoCAD Release 13 beyond the currently anticipated ship date will have a material and adverse effect on revenues in the third fiscal quarter. Delays of other products scheduled for release in the coming quarter, or failure to achieve significant customer acceptance for these new products could also have an adverse effect on the Company's revenues and results of operations in future periods. There can be no assurance that the Company will not experience difficulties that could delay or prevent the successful development, introduction and marketing of new products and product enhancements, including AutoCAD Release 13, or that its new products and product enhancements will adequately meet the requirements of the marketplace and achieve market acceptance. In addition, the Company's revenues in future periods could be impacted by the effect of changes in currency exchange rates or uncertainties in the global economic environment.

Cost of revenues. Cost of revenues as a percentage of net revenues decreased in the second quarter of fiscal year 1995 to 14 percent from 16 percent in the second quarter of the prior fiscal year. The improved gross margin in the current quarter resulted from on-going cost control measures and operating efficiencies, and to a lesser extent, the mix of product sales. Significant factors contributing to the improved margin from the prior year include: reduced packaging costs and shipping costs, as well as ongoing cost control efforts in disk duplication and assembly. The Company's gross margin was also favorably impacted by a lower percentage of revenues from sales of AutoCAD updates which have a lower gross margin than commercial versions of AutoCAD. In future periods, the Company expects that cost of revenues as a percentage of net revenues will continue to be impacted by the mix of product sales, in particular, the level of AutoCAD updates which is expected to increase in the quarters following the shipment of AutoCAD Release 13.

Marketing and sales. Marketing and sales expenses were 34 percent of net revenues in the second quarter of fiscal year 1995 as compared to 33 percent for the second quarter of the prior fiscal year. Actual spending increased 9 percent in order to support worldwide marketing efforts of new and enhanced product introductions, including the recently released Autodesk Special Editions Series which contain a copy of AutoCAD software, selected adjacent Autodesk products and incentives for the purchase of an independent developer application. The Company expects to continue its emphasis on marketing and sales activities in the future to promote Autodesk's competitive position and to support sales and marketing of its products.

Research and development. Research and development expenses increased from 13 percent of net revenues in the second quarter of fiscal year 1994 to 15 percent in the second quarter of fiscal year 1995, while absolute spending increased 24 percent. The increase was due to costs related to the development of new and enhanced products, such as AutoCAD Release 13, costs associated with translating these products into foreign languages and the addition of development personnel. To maintain its competitive market position, the Company expects to invest a significant amount of its resources for the development of new products and product enhancements and to continue recruiting and hiring experienced software developers, while at the same time considering the acquisition of software businesses and technologies.

General and administrative. General and administrative expenses as a percentage of net revenues for the second quarter of fiscal year 1995 increased to 15 percent from 14 percent in the second quarter of the prior fiscal year. Absolute spending increased 9 percent due in large part to legal expenses, higher personnel and facility costs associated with increased operations and expenditures to support the Company's infrastructure.

Interest and other income. Interest and other income, including foreign currency losses of $28,000, was $1.7 million in the second quarter of fiscal year 1995. Interest and other income for the second quarter of fiscal year 1994 was $1.6 million and included foreign currency losses of $282,000. Interest income for the second quarter of fiscal year 1995 was consistent with interest income in the same period of the prior fiscal year resulting from a greater average quarterly balance of cash, cash equivalents and marketable securities in fiscal year 1995, offset by lower worldwide interest rates when compared to the same period in the prior fiscal year.

Provision for income taxes. In the second quarter of fiscal year 1995, the Company's effective income tax rate was 36.5 percent compared to 35.5 percent in the second quarter of the prior fiscal year. The increase is principally the result of a change in the U.S. federal statutory rate from 34 percent to 35 percent resulting from legislation that was enacted in August 1993.

Quarterly results. The Company's consolidated results of operations to date have not been materially affected by seasonal trends. However, the Company believes that in the future its results may reflect quarterly fluctuations resulting from factors such as order deferrals in anticipation of new product releases, delays in the shipment of new products, a slower growth rate in the personal computer CAD market or adverse general economic and industry conditions in any of the countries in which the Company does business. In addition, with a significant portion of net revenues and net income contributed by international operations, fluctuations of the U.S. dollar against foreign currencies and the seasonality of the European, Asia/Pacific and other international markets could impact the Company's results of operations and financial condition in a particular quarter. Rapid technological change and the Company's ability to develop, manufacture and market products that successfully adapt to that change may also have an impact on the results of operations. Further, increased competition in the market for design automation and multimedia software products could also have a negative impact on the Company's results of operations.

Due to the factors noted above, the Company's future earnings and stock price may be subject to significant volatility, particularly on a quarterly basis. Any shortfall in revenues or earnings from levels expected by securities analysts could have an immediate and significant adverse effect on the trading price of the Company's common stock. The Company typically receives and fulfills a majority of its orders within the quarter, with a substantial portion occurring in the third month of the fiscal quarter. As a result, the Company may not learn of revenue shortfalls until late in a fiscal quarter, which could result in an even more immediate and adverse effect on the trading price of the Company's common stock.

Six Months Ended July 31, 1994 and 1993

Net Revenues. The Company's net revenues for the six months ended July 31, 1994 were $216.8 million which represented a 6 percent increase from the same period of the prior fiscal year. The increase resulted principally from sales growth in Asia/Pacific and Europe, while net revenues in the Americas decreased slightly from the prior fiscal year due to lower AutoCAD update revenues. Consolidated revenues derived from AutoCAD and AutoCAD updates decreased as a percent of revenues for the six months ended July 31, 1994 as compared to the same period of the prior fiscal year primarily due to a decrease in update revenues as AutoCAD Release 12 nears the end of its product life cycle. The decrease in AutoCAD revenues was more than offset by incremental revenues derived from newer products such as AutoCAD LT, AutoCAD Data Extension and AutoCAD Designer. International sales accounted for approximately 62 percent of consolidated revenues for the six months ended July 31, 1994 as compared to 58 percent for the same period of the prior fiscal year. Net revenues for the first six months of fiscal year 1995 were favorably impacted by changes in foreign exchange rates when compared to the same period in the prior fiscal year.

Cost of revenues. Cost of revenues as a percentage of net revenues for the six months ended July 31, 1994 was 14 percent as compared to 16 percent for the same period of the prior fiscal year. The improved gross margin resulted from a change in the mix of product sales-specifically a decrease in sales of AutoCAD updates, cost control measures and operating efficiencies.

Operating expenses. Operating expenses for the Company's marketing and sales, research and development and general and administrative functions for the six months ended July 31, 1994 increased approximately 10 percent to $137.9 million as compared to $125.8 million for the same period of the prior fiscal year. For the six months ended July 31, 1994, expenses associated with the Company's marketing and sales and research and development functions increased in both absolute dollars and as a percentage of net revenues as compared to the same period of the prior fiscal year in order to support the development and launch of new and enhanced product offerings. General and administrative expenses for the first half of fiscal year 1995 remained flat as a percentage of net revenues but increased in absolute dollars from the same period of the prior fiscal year in order to support the Company's increased operations and related infrastructure and due to higher legal expenses.

Interest and other income. Interest and other income for the six months ended July 31, 1994 was $3.3 million as compared to $3.7 million in the same period of the prior fiscal year. Interest income was $3.8 million in the first half of fiscal year 1995 as compared to $3.9 million in the same period of the prior fiscal year. This decrease resulted from a greater average balance of cash, cash equivalents and marketable securites in fiscal year 1995, offset by lower worldwide interest rates when compared to the same period of the prior fiscal year.

Income taxes. The Company's effective income tax rate for the six months ended July 31, 1994 was 36.5 percent as compared to 35.5 percent in the same period of the prior fiscal year. The increase in the effective income tax rate in fiscal year 1995 is principally the result of the change in the U.S. federal statutory rate from 34 percent to 35 percent resulting from legislation enacted in August 1993.

LIQUIDITY AND CAPITAL RESOURCES

Working capital, which consists principally of cash, cash equivalents, marketable securities and accounts receivable, was $185.9 million at July 31, 1994, compared to $177.2 million at January 31, 1994. Cash, cash equivalents and marketable securities, which consist primarily of high-quality municipal bonds and tax-advantaged money market instruments, totaled $214.7 million at July 31, 1994 compared to $217.0 million at January 31, 1994. Significant changes to cash, cash equivalents and marketable securities resulted from cash generated from operations ($39.5 million) and cash proceeds from the issuance of shares through employee stock option and stock purchase programs ($27.4 million). These increases were offset by cash used to: repurchase 940,000 shares of the Company's common stock under an ongoing systematic repurchase program ($52.2 million); to purchase computer equipment, furniture and leasehold improvements ($8.9 million); and, to pay of dividends on the Company's common stock ($5.7 million).

Longer term cash requirements, other than normal operating expenses, are anticipated for development of new software products and enhancement of existing products, financing anticipated growth, dividend payments, repurchases of the Company's common stock and the possible acquisition of businesses software products or technologies complementary to the Company's business. The Company believes that its existing cash, cash equivalents, marketable securities, cash generated from operations and available line of credit will be sufficient to satisfy its currently anticipated cash requirements for fiscal year 1995.

The Company's principal commitments at July 31, 1994, consisted of obligations under operating leases for facilities.

Cash paid for income taxes for the six months ended July 31, 1994 and 1993 was $22.1 million and $13.3 million, respectively.

PART II. OTHER INFORMATION

ITEM 1. LEGAL PROCEEDINGS

On October 8, 1992, Vermont Microsystems, Inc. ("VMI") filed a complaint against the Company in the United States District Court for the District of Vermont, alleging copyright infringement, misappropriation of trade secrets, interference with contractual relations and breach of contract. VMI is seeking damages of approximately $90 million. Management believes these claims are without merit and intends to vigorously defend against each allegation. In May 1994, VMI filed a motion for a preliminary injunction against the Company pending final resolution of the lawsuit. This motion was denied and a trial date has been set for October 3, 1994. Management believes that the ultimate resolution of this matter will not have a material effect on the Company's consolidated financial condition or results of operations.

On August 9, 1993, Preco Industries, Inc. ("Preco") filed a complaint against the Company in the United States District Court for the District of Kansas alleging patent infringement and unfair competition. In July 1994, the Company purchased from Preco the rights to the patent in question and the parties dismissed all claims and counterclaims in this matter.

ITEM 4. SUBMISSION OF MATTERS TO A VOTE OF SECURITY HOLDERS

At the Company's Annual Meeting of Shareholders held on June 30, 1994, the following individuals were elected to the Board of Directors:

	Votes For	Votes Withheld
Carol A. Bartz	21,095,537	153,101
Mark A. Bertelsen	21,096,033	152,605
Crawford W. Beveridge	21,096,458	152,180
J. Hallam Dawson	21,096,649	151,989
Gregory P. Lutz	21,096,409	152,229
Jim C. Warren	20,758,349	490,289

The following proposals were approved at the Company's Annual Meeting:

	Affirmative Votes	Negative Votes	Votes Withheld
1. Amendment of the Employee Qualified Stock Purchase Plan, increasing the reserved shares by 500,000.	20,004,311	995,089	249,238
2. Approve a change in the Company's state of incorporation from California to Delaware.	14,723,633	6,176,653	348,352
3. Ratify the appointment of Ernst & Young as independent auditors for the fiscal year ending January 31, 1995.	21,085,339	31,130	132,169

ITEM 5. OTHER INFORMATION

On September 6, 1994, the Company's Board of Directors declared a two-for-one stock split in the form of a stock dividend, subject to stockholder approval at a Special Meeting of Stockholders scheduled for October 13, 1994. The record date for the stock dividend is October 14, 1994 and the dividend payment date is October 28, 1994.

ITEM 6. EXHIBITS AND REPORTS ON FORM 8-K

No reports on Form 8-K were filed during the quarter ended July 31, 1994.

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 thereunto duly authorized.

DATED: September 14, 1994

AUTODESK, INC.
(Registrant)

/S/ Carol A. Bartz

Carol A. Bartz
President and Chief Executive Officer

/S/ Eric B. Herr

Eric B. Herr
Vice President, Chief Financial Officer
(Principal Financial and Accounting Officer)

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JAN-31-1995
JUL-31-1994
123,983
54,998
84,703
5,983
3,717
289,620
103,462
59,822
414,096
103,695
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237,348
414,096
216,837
216,837
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948
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33,033
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33,033
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0