

Press Release

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AUTODESK SECOND QUARTER REVENUES INCREASE 32 PERCENT PRO-FORMA NET INCOME INCREASES 225 PERCENT

SAN RAFAEL, Calif., August 19, 2004— Autodesk, Inc. (NASDAQ: ADSK), the world's leading design software and digital content company, today announced financial results for its second fiscal quarter ended July 31, 2004. For the second quarter, Autodesk reported net revenues of \$ 280 million, a 32 percent increase over \$212 million reported in the second quarter of the prior year.

Second quarter net income was \$39 million, or \$0.31 per diluted share on a GAAP basis, and \$42 million, or \$0.34 per diluted share on a pro-forma basis. Pro-forma net income excludes a \$4 million pre-tax restructuring charge. Net income in the second quarter of the prior year was \$33 million, or \$0.29 per diluted share on a GAAP basis, and \$12.9 million or \$0.11 per diluted share on a pro-forma basis. Pro-forma net income in the second quarter of the prior year excluded a one-time tax benefit of \$19.7 million related to the favorable resolution of an industry wide issue regarding foreign sales corporations.

"Autodesk had an outstanding quarter by all measures," said Carol Bartz, Autodesk chairman and CEO. "We are executing on all fronts. Our products are strong and the market is responding to their quick implementation, ease of use and fast return on investment."

Autodesk's strong performance was driven by increasing penetration of its 3D products, broad adoption of the AutoCAD 2005 family of products, continued success with the subscription and marketing programs and ongoing commitment to improved productivity and efficiency.

Revenue from the company's 3D products Autodesk Inventor Series, Autodesk Inventor Professional, Autodesk Revit and AutoCAD Revit Series increased 64 percent over the prior year. During the quarter, the company shipped strong new releases of its Inventor product line, the world's best-selling 3D mechanical design software. Inventor 9 allows users to better manage and communicate design data, deliver designs in less time, get their drawings production-ready in the fastest way possible, and learn and deploy the product quickly. Autodesk Revit, the company's 3D building information modeling solution, also saw strong adoption during the quarter, particularly in China.

In addition, the AutoCAD 2005 family of products, which launched in March, continues to gain momentum in the market. Customers increasingly recognize AutoCAD's ability to better manage and publish digital design data to communicate project information for mark up and review. Revenue from the AutoCAD family grew 30% over last year.

Customers are seeing the value in the Autodesk Subscription Program, called Maintenance on the financial statements. Subscription revenue increased 45 percent over the prior year to \$41 million. In addition, deferred revenue from the Subscription program increased \$10 million to \$107 million.

Autodesk continued to demonstrate progress in improving productivity and profitability. Operating margins increased 11 percentage points over the prior year to 18 percent on a GAAP basis. Pro-forma operating margins, which exclude the \$4 million restructuring charge, increased 12 percentage points to 19 percent in the

quarter. These results demonstrate the significant leverage in the company's business model.

"Autodesk continued to execute flawlessly this quarter," said Bartz. "We have already introduced outstanding new releases of our most significant products, including the AutoCAD family and Inventor. We plan to release new versions of other important products later this year, including 3ds max and Revit. Our refreshed product line and focus on improving our productivity position the company for strong future growth."

Business Outlook –

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

Q3 Fiscal 2005

Net revenues for the third quarter of fiscal 2005 are expected to be approximately flat with the second quarter of fiscal 2005. Pro-forma earnings per diluted share for the third quarter of fiscal year 2005 are also expected to be approximately flat with the second quarter. GAAP basis earnings per diluted share are expected to be \$0.31.

Q4 Fiscal 2005

Net revenues for the fourth quarter of fiscal 2005 are expected to be in the range of \$310 million to \$320 million. Earnings per diluted share for the fourth quarter of fiscal year 2005 are expected to be in the range of \$0.49 to \$0.53 on a GAAP basis and \$0.51 to \$0.55 on a pro-forma basis.

Full Year Fiscal 2005

For 2005, annual revenue is expected to be in the range of \$1.167 billion to \$1.177 billion. Earnings per diluted share for the full year are expected to be in the range of \$1.48 to \$1.52 on a GAAP basis and \$1.60 to \$1.64 on a pro-forma basis.

A reconciliation of the above non-GAAP net income and EPS amounts to the corresponding GAAP net income and EPS amounts is provided at the end of this press release.

Safe Harbor Statement

This press release contains forward-looking statements that involve risks and uncertainties, including statements in the paragraphs under "Business Outlook" above and other statements regarding our anticipated product releases and performance. Factors that could cause actual results to differ materially include the following: general market and business conditions, failure to achieve sufficient sell-through in our channels for new or existing products, failure of key new applications to achieve anticipated levels of customer acceptance, pricing pressure, failure to achieve anticipated cost reductions, delays in the release of new products and services, failure to achieve continued success in technology advancements, changes in accounting rules, particularly related to stock option expensing, changes in foreign currency rates, failure to successfully integrate new or acquired businesses, financial and business condition of our reseller and distribution channels, renegotiation or termination of royalty or intellectual property arrangements, and failure to grow lifecycle management or collaboration products.

Further information on potential factors that could affect the financial results of Autodesk are included in the company's report on Form 10-K for the year ended January 31, 2004, and Form 10-Q for the quarter ended April 30, 2004, which are on file with the Securities and Exchange Commission.

Autodesk will host its second quarter earnings announcement today at 5:00 p.m. Eastern Time. The live announcement may be accessed at 800-291-9234 (passcode: 51779734). An audio webcast will also be available beginning at 5:00 p.m. Eastern Time at www.autodesk.com/investor. A replay of this webcast will be maintained on our website for at least twelve months.

About Autodesk

Autodesk is the world's leading design software and digital content company, offering customers progressive business solutions through powerful technology products and services. Autodesk helps customers in the building, manufacturing, infrastructure, digital media, and wireless data services fields increase the value of their digital design data and improve efficiencies across their entire project lifecycle management processes. For more information about the company, see www.autodesk.com.

Autodesk, Inc.

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

Unaudited

	Three months ended October 31, 2004	Three months ended January 31, 2005		Fiscal year ended January 31, 2005	
		Low end of range	High end of range	Low end of range	High end of range
Diluted net income per share on a GAAP basis	\$ 0.31	\$ 0.49	\$ 0.53	\$ 1.48	\$ 1.52
Restructure costs	0.04	0.03	0.03	0.16	0.16
Income tax effect	<u>(0.01)</u>	<u>(0.01)</u>	<u>(0.01)</u>	<u>(0.04)</u>	<u>(0.04)</u>
Non-GAAP diluted net income per share	<u>\$ 0.34</u>	<u>\$ 0.51</u>	<u>\$ 0.55</u>	<u>\$ 1.60</u>	<u>\$ 1.64</u>

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

	Three Months Ended July 31,		Six Months Ended July 31,	
	2004	2003	2004	2003
	(Unaudited)		(Unaudited)	
Net revenues:				
License and other	\$ 238,445	\$ 183,434	\$ 498,954	\$ 370,315
Maintenance	41,133	28,271	78,500	52,156
Total net revenues	279,578	211,705	577,454	422,471
Costs and expenses:				
Cost of license and other revenues	36,116	32,455	73,701	67,502
Cost of maintenance revenues	4,100	3,591	8,387	6,786
Marketing and sales	105,013	89,864	214,292	182,218
Research and development	58,342	49,664	116,223	101,243
General and administrative	22,946	22,190	50,019	44,174
Restructuring and other	3,717	-	11,967	-
Total costs and expenses	230,234	197,764	474,589	401,923
Income from operations	49,344	13,941	102,865	20,548
Interest and other income, net	2,179	3,070	4,595	6,342
Income before income taxes	51,523	17,011	107,460	26,890
Income tax (provision) benefit	(12,358)	15,591	(25,790)	13,220
Net income	\$ 39,165	\$ 32,602	\$ 81,670	\$ 40,110
Basic net income per share	\$ 0.34	\$ 0.29	\$ 0.72	\$ 0.36
Diluted net income per share	\$ 0.31	\$ 0.29	\$ 0.66	\$ 0.35
Shares used in computing basic net income per share	114,002	111,480	113,094	111,642
Shares used in computing diluted net income per share	125,304	113,460	123,369	113,462

Autodesk, Inc.**Pro Forma Consolidated Statements of Income**

(See pro forma adjustments listed in the tables below)

(In thousands, except per share data)

	Three Months Ended		Six Months Ended	
	July 31,		July 31,	
	2004	2003	2004	2003
	(Unaudited)		(Unaudited)	
Net revenues:				
License and other	\$ 238,445	\$ 183,434	\$ 498,954	\$ 370,315
Maintenance	41,133	28,271	78,500	52,156
Total net revenues	279,578	211,705	577,454	422,471
Costs and expenses:				
Cost of license and other revenues	36,116	32,455	73,701	67,502
Cost of maintenance revenues	4,100	3,591	8,387	6,786
Marketing and sales	105,013	89,864	214,292	182,218
Research and development	58,342	49,664	116,223	101,243
General and administrative	22,946	22,190	50,019	44,174
Total costs and expenses	226,517	197,764	462,622	401,923
Income from operations	53,061	13,941	114,832	20,548
Interest and other income, net	2,179	3,070	4,595	6,342
Income before income taxes	55,240	17,011	119,427	26,890
Provision for income taxes	(13,258)	(4,083)	(28,663)	(6,454)
Pro forma net income	\$ 41,982	\$ 12,928	\$ 90,764	\$ 20,436
Basic pro forma net income per share	\$ 0.37	\$ 0.12	\$ 0.80	\$ 0.18
Diluted pro forma net income per share	\$ 0.34	\$ 0.11	\$ 0.74	\$ 0.18
Shares used in computing basic pro forma net income per share	114,002	111,480	113,094	111,642
Shares used in computing diluted pro forma net income per share	125,304	113,460	123,369	113,462

	Three Months Ended		Six Months Ended	
	July 31,		July 31,	
	2004	2003	2004	2003
	(Unaudited)		(Unaudited)	
A reconciliation between operating expenses on a GAAP basis and pro forma operating expenses is as follows:				
GAAP costs and expenses	\$ 230,234	\$ 197,764	\$ 474,589	\$ 401,923
Restructuring and other	(3,717)	-	(11,967)	-
Pro forma costs and expenses	\$ 226,517	\$ 197,764	\$ 462,622	\$ 401,923
A reconciliation between income from operations on a GAAP basis and pro forma income from operations is as follows:				
GAAP income from operations	\$ 49,344	\$ 13,941	\$ 102,865	\$ 20,548
Restructuring and other	3,717	-	11,967	-
Pro forma income from operations	\$ 53,061	\$ 13,941	\$ 114,832	\$ 20,548
A reconciliation between (provision) benefit for income taxes on a GAAP basis and pro forma provision for income taxes is as follows:				
GAAP (provision) benefit for income taxes	\$ (12,358)	\$ 15,591	\$ (25,790)	\$ 13,220
Non-recurring tax benefit		\$ (19,674)		\$ (19,674)
Income tax effect of pro forma adjustments	(900)	-	(2,873)	-
Pro forma provision for income taxes	\$ (13,258)	\$ (4,083)	\$ (28,663)	\$ (6,454)
A reconciliation between net income on a GAAP basis and pro forma net income is as follows:				
GAAP net income	\$ 39,165	\$ 32,602	\$ 81,670	\$ 40,110
Restructuring and other	3,717	-	11,967	-
Non-recurring tax benefit		(19,674)		(19,674)
Income tax effect of pro forma adjustments	(900)	-	(2,873)	-
Pro forma net income	\$ 41,982	\$ 12,928	\$ 90,764	\$ 20,436
A reconciliation between diluted net income per share on a GAAP basis and diluted pro forma net income per share is as follows:				
GAAP diluted net income per share	\$ 0.313	\$ 0.287	\$ 0.662	\$ 0.354
Restructuring and other	\$ 0.030	\$ -	\$ 0.097	\$ -
Non-recurring tax benefit	\$ -	\$ (0.173)	\$ -	\$ (0.173)
Income tax effect of pro forma adjustments	\$ (0.007)	\$ -	\$ (0.023)	\$ -
Pro forma diluted net income per share	\$ 0.336	\$ 0.114	\$ 0.736	\$ 0.181

To supplement our consolidated financial statements presented on a GAAP basis, Autodesk uses pro forma measures of operating results, net income and net income per share, which are adjusted to exclude certain costs, expenses, gains and losses we believe appropriate to enhance an overall understanding of our past financial performance and also our prospects for the future. These adjustments to our GAAP results are made with the intent of providing both management and investors a more complete understanding of Autodesk's underlying operational results and trends and our marketplace performance. For example, the pro forma results are an indication of our baseline performance before gains, losses or other charges that are considered by management to be outside of our core operating results. In addition, these adjusted pro forma results are among the primary indicators management uses as a basis for our planning and forecasting of future periods. The presentation of this additional information is not meant to be considered in isolation or as a substitute for net income or diluted net income per share prepared in accordance with generally accepted accounting principles in the United States.

Autodesk, Inc.
Consolidated Balance Sheets
(In thousands)

	July 31, 2004 (Unaudited)	January 31, 2004 (Audited)
ASSETS:		
Current assets:		
Cash and cash equivalents	\$ 345,971	\$ 282,249
Marketable securities	76,390	81,275
Accounts receivable, net	156,273	166,816
Inventories	16,312	17,365
Deferred income taxes	21,504	25,410
Prepaid expenses and other current assets	25,953	24,137
Total current assets	642,403	597,252
Marketable securities	149,313	165,976
Computer equipment, software, furniture and leasehold improvements, at cost:		
Computer equipment, software and furniture	214,615	206,319
Leasehold improvements	34,071	34,526
Less accumulated depreciation	(184,269)	(174,371)
Net	64,417	66,474
Purchased technologies and capitalized software, net	17,030	19,378
Goodwill, net	166,693	160,094
Other assets	9,550	7,986
	\$ 1,049,406	\$ 1,017,160
LIABILITIES AND STOCKHOLDERS' EQUITY:		
Current liabilities:		
Accounts payable	\$ 44,315	\$ 52,307
Accrued compensation	84,864	92,830
Accrued income taxes	45,544	50,695
Deferred revenues	149,390	127,276
Other accrued liabilities	61,139	61,814
Total current liabilities	385,252	384,922
Deferred income taxes, net	2,097	7,849
Other liabilities	992	2,746
Stockholders' equity:		
Preferred stock	-	-
Common stock and additional paid-in capital	531,001	473,673
Accumulated other comprehensive loss	(9,521)	(4,754)
Deferred compensation	(486)	(451)
Retained earnings	140,071	153,175
Total stockholders' equity	661,065	621,643
	\$ 1,049,406	\$ 1,017,160

Autodesk, Inc.

Condensed Consolidated Statements of Cash Flows

(In thousands)

	Six Months Ended	
	July 31,	
	2004	2003
	(Unaudited)	
Operating Activities		
Net income	\$ 81,670	\$ 40,110
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	25,372	24,129
Stock compensation expense	377	1,013
Net loss on fixed asset disposals	282	-
Write-downs of cost method investments	-	26
Tax benefits from employee stock plans	24,414	-
Restructuring related charges, net	5,648	-
Changes in operating assets and liabilities	884	(17,707)
Net cash provided by operating activities	<u>138,647</u>	<u>47,571</u>
Investing Activities		
Net sales and maturities of available-for-sale marketable securities	20,165	30,839
Capital and other expenditures*	(15,775)	(13,865)
Business combinations, net of cash acquired*	(11,750)	(5,150)
Other investing activities	(1,490)	1,448
Net cash (used in) provided by investing activities	<u>(8,850)</u>	<u>13,272</u>
Financing activities		
Proceeds from issuance of common stock, net of issuance costs	160,879	21,467
Repurchase of common stock	(216,410)	(45,671)
Dividends paid	(6,741)	(6,680)
Net cash used in financing activities	<u>(62,272)</u>	<u>(30,884)</u>
Effect of exchange rate changes on cash and cash equivalents	<u>(3,803)</u>	<u>3,088</u>
Net increase in cash and cash equivalents	63,722	33,047
Cash and cash equivalents at beginning of year	282,249	186,377
Cash and cash equivalents at end of period	<u>\$ 345,971</u>	<u>\$ 219,424</u>
Supplemental cash flow information:		
Net cash paid (received) during the period for income taxes	<u>\$ 7,365</u>	<u>\$ (573)</u>

* The amounts related to business combinations were inadvertently reported under the caption "Capital and other expenditures" and amounts related to capital and other expenditures were inadvertently reported under the caption "Business combinations". This has been corrected on this document.