

## Press Release

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### **AUTODESK FOURTH QUARTER REVENUES INCREASE 51 PERCENT EPS INCREASES 700 PERCENT**

**SAN RAFAEL, Calif., Feb. 26, 2004**— Autodesk, Inc. (NASDAQ: ADSK), the world's leading design software and digital content company, today announced financial results for its fourth quarter and fiscal year ended January 31, 2004. For the fourth quarter, Autodesk reported net revenues of \$295 million, a 51 percent increase over \$196 million reported in the fourth quarter of fiscal 2003.

Fourth quarter net income was \$58 million or \$0.48 per diluted share on a GAAP basis, and \$53 million or \$0.45 per diluted share on a pro-forma basis. Pro-forma net income excludes both the positive effect of a tax benefit of \$7 million from the successful completion of an IRS audit of a previous year, and a \$3 million restructuring charge. Net income in the fourth quarter of fiscal 2003 was \$6 million or \$0.06 per diluted share on a GAAP basis, and \$8 million or \$0.07 per diluted share on a pro-forma basis. Pro-forma net income in the fourth quarter of fiscal 2003 excludes both a \$7 million restructuring charge and the positive effect of a tax benefit of \$4 million from closure of a prior year tax audit.

"I am pleased with the company's outstanding performance during the quarter," said Carol Bartz, Autodesk chairman and CEO. "We saw strong growth across all divisions and all markets. Today's results clearly demonstrate that our strategies are working, our product offering has never been better and, most importantly, our customers are satisfied."

Autodesk's strong performance was driven by a significant increase in upgrade revenues, the continuing success of the company's subscription program, and the company's commitment to improving profitability.

During the quarter, the company retired its AutoCAD 2000-based products. Upgrade revenues increased 160 percent over the fourth quarter of fiscal 2003, to \$100 million. In addition to strong growth in upgrade revenues, revenues from new seats grew 17 percent over the fourth quarter of fiscal 2003.

Subscription revenues, called Maintenance on the financial statements, increased 52 percent over the same quarter of the prior year, to \$33 million. Subscription bookings increased 44 percent over the fourth quarter of fiscal 2003, as customers continue to recognize the value of the subscription program and the quick return on investment of Autodesk products.

During the quarter, Autodesk continued to deliver on its commitment to improve profitability. Operating margins improved 19 percentage points over the fourth quarter of fiscal 2003, to 20 percent on a GAAP basis. Pro-forma operating margins, which exclude the \$3 million restructuring charge, were 21 percent in the quarter. These results demonstrate the significant leverage in the company's operating margin and substantial progress toward the target operating margin range of 18 to 20 percent on an annual basis. Annual operating margins were 11 percent on a GAAP basis and 12 percent on a pro-forma basis, excluding the impact of the \$3 million restructuring charge.

"We are very optimistic about the coming year," said Bartz. "Our product line up has never been better. We have significant new releases of all major products coming at the same time or earlier than they were released last year, beginning with the new release of our AutoCAD 2005 family of products next month. In addition, we plan to introduce several significant new products, including Civil 3D for our Infrastructure customers, and new Linux-based releases for our Media customers. We have just begun our restructuring efforts and are firmly committed to improving profitability. We are on track to perform and execute. As a result, I have never been more enthusiastic heading into a new fiscal year."

Net revenues for fiscal 2004 were \$952 million, an increase of 15 percent compared to \$825 million in fiscal 2003. Net income for fiscal 2004 was \$120 million or \$1.04 per diluted share on a GAAP basis, and \$96 million or \$0.83 per diluted share on a pro-forma basis. Fiscal 2004 pro-forma results exclude the \$3 million restructuring charge and the positive effects of tax benefits totaling \$27 million. Net income in fiscal 2003 was \$32 million or \$0.28 per diluted share on a GAAP basis, and \$47 million or \$0.41 per diluted share on a pro-forma basis. Fiscal 2003 pro-forma results exclude \$26 million in restructuring charges and the positive effect of the tax benefit of \$4 million.

## **Operating Expense Presentation**

During the quarter, the company changed its allocation of certain costs, primarily information technology costs. This change has no impact to margins or profits. The company's results prepared under the new allocation methodology are attached to this press release and are available at [www.autodesk.com/investor](http://www.autodesk.com/investor).

## **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.

### **Q1 Fiscal 2005**

Net revenues for the first quarter of fiscal 2005 are expected to be in the range of \$240 million to \$250 million. Earnings per diluted share for the first quarter of fiscal year 2005 are expected to be in the range of \$0.12 to \$0.17 on a GAAP basis and \$0.16 to \$0.21 on a pro forma basis.

### **Full Year Fiscal 2005**

For 2005, annual net revenue is expected to be in the range of \$990 million to \$1,010 million. Earnings per diluted share for the full year are expected to be in the range of \$0.94 to \$1.04 on a GAAP basis and \$1.15 to \$1.25 on a pro-forma basis. Fourth quarter fiscal 2005 operating margins are expected to be at least in the mid-20 percent range.

The company remains committed to achieving its target 18 to 20 percent operating margins for subsequent annual periods beginning in fiscal year 2006.

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 performance. Factors that could cause actual results to differ materially include the following: general market and business conditions, failure of key new applications to achieve anticipated levels of customer acceptance, failure to achieve sufficient sell-through in our channels for new or existing products, 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, 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, 2003, form 10-Q for the quarter ended October 31, 2003, and form 8-K filed November 26, 2003, which are on file with the Securities and Exchange Commission.

Autodesk will host a conference call at 800-299-8538 (passcode: 67893682) today and an audio webcast on the fourth quarter and year end results beginning at 5:00 p.m. Eastern Time at [www.Autodesk.com/investor](http://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, contact any Authorized Autodesk Reseller, call Autodesk at 800-964-6432, or visit [www.autodesk.com](http://www.autodesk.com). Discreet product information is available at 800-869-3504 or via the Web at [www.discreet.com](http://www.discreet.com).

### Autodesk, Inc.

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

Unaudited

	<u>Three months ended</u>		<u>Fiscal year ended</u>	
	<u>April 30, 2004</u>		<u>January 31, 2005</u>	
	<u>Low end of</u>	<u>High end of</u>	<u>Low end of</u>	<u>High end of</u>
	<u>range</u>	<u>range</u>	<u>range</u>	<u>range</u>
Diluted net income per share on a GAAP basis	\$ 0.12	\$ 0.17	\$ 0.94	\$ 1.04
Restructure costs	0.05	0.05	0.28	0.28
Income tax effect	(0.01)	(0.01)	(0.07)	(0.07)
Non-GAAP diluted net income per share	<u>\$ 0.16</u>	<u>\$ 0.21</u>	<u>\$ 1.15</u>	<u>\$ 1.25</u>

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