

## Press Release

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### AUTODESK REPORTS SECOND QUARTER RESULTS

2004 Family Product Upgrade Momentum; Subscriptions Continue to Gain Traction

**SAN RAFAEL, Calif., Aug. 21, 2003**— Autodesk, Inc. (NASDAQ: ADSK), the world's leading design software and digital content company, today announced that worldwide revenue for its fiscal second quarter ended July 31, 2003 totaled \$212 million compared to \$211 million reported in the first quarter of fiscal 2004.

Second quarter net income was \$32.6 million or \$0.29 per diluted share on a GAAP basis. During the quarter, the company recognized a one-time tax benefit of \$19.7 million related to an industry wide issue regarding foreign sales corporations that was resolved favorably. Excluding the one-time benefit, net income was \$12.9 million or \$0.11 per diluted share. Net income in the first quarter of fiscal 2004 was \$7.5 million or \$0.07 per diluted share. Net income for the same quarter a year ago was \$11.8 million or \$0.10 per diluted share on a GAAP basis. Excluding one time items, for the same quarter a year ago net income was \$14.5 million or \$0.13 per diluted share.

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.

Autodesk's solid performance in the quarter was driven by strong upgrades to the AutoCAD® 2004 family of products and increasing adoption of the Autodesk Subscription Program. In addition, the company continued to deliver on its lifecycle management strategy with the launches of Autodesk Inventor® Professional and the Autodesk® Vault.

"We are pleased with the company's performance," said Carol Bartz, Autodesk chairman and CEO. "As we said last quarter, the AutoCAD 2004 family of products is the strongest in the company's history and our customers continue to affirm this. The strength of our

offerings is demonstrated by increased upgrade revenues and subscriptions momentum during the quarter. As a result, the percentage of users who have upgraded has never been higher at this point in a cycle.”

AutoCAD-based upgrade revenue increased substantially in the quarter to \$29 million driving a 65 percent sequential increase in total Design Solutions Group (DSG) upgrade revenue. At the same time, the subscription program continues to appeal to customers as the best way to stay on the latest software release and budget more effectively. As a result, subscription revenue reached 15 percent of total DSG revenue in the quarter and deferred subscription revenue grew an additional \$5 million to \$65 million. These metrics show substantial progress toward Autodesk’s goal of subscriptions reaching 25-30 percent of total DSG revenue.

To address customer needs for product lifecycle management capabilities, during the quarter Autodesk delivered two key milestones. Autodesk Inventor Professional includes additional functionality to provide customers the power to address multiple aspects of the industrial machine design process with a single, integrated software product. The Autodesk Vault is an engineering data management solution that enables fast, accurate sharing of design data across workgroups. Vault customers benefit from increased engineering productivity, increased design quality, and faster design cycles by improving visibility and management of critical design data throughout a product’s lifecycle. The Vault is currently available to Autodesk Inventor Series subscription customers.

Autodesk finished the quarter with \$412 million in cash and investments. This was after using \$16 million to buy back one million shares of stock and \$3 million to pay quarterly dividends.

“We are extremely confident in our business and our strategy,” said Bartz. “We offer the best products in our history, our partnerships with our customers are strong and we continue to meet our business objectives. Autodesk is well positioned for the future.”

## **Business Outlook**

The following statements are forward looking statements, involving risks and uncertainties, and are based on current expectations. Factors that could cause net revenue to differ materially from our expectations include further weakening of the economies where we do business, lack of momentum in upgrade or subscription revenue, the failure of an anticipated post-SARS recovery to materialize in our Asia Pacific business, particularly in Greater China, and foreign currency fluctuations. Factors that could cause earnings and

earnings per share to differ materially from our expectations include failure to achieve anticipated revenue levels, the inability to quickly adjust our cost structure to current revenue levels, interest rates, share count and unanticipated costs, such as litigation.

### **Q3 Fiscal 2004**

Net revenues for the third quarter of fiscal 2004 are expected to be in the range of \$216 million to \$221 million. Earnings per diluted share for the third quarter of fiscal year 2004 are expected to be in the range of \$0.13 to \$0.16.

### **Full Year Fiscal 2004**

Consistent with previous guidance, earnings per diluted share for fiscal year 2004 are expected to be in the range of \$0.50 to \$0.60. Net revenues for fiscal 2004 are expected to be in the range of \$875 million to \$885 million, within the previous guidance range.

### **Safe Harbor Statement**

This press release contains forward-looking statements that involve risks and uncertainties. In addition to the factors discussed above, factors that could cause actual results to differ materially include the following: general market and business conditions, failure to achieve anticipated levels of customer acceptance of key new applications, 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, and form 10-Q for the quarter ended April 30, 2003, which are on file with the Securities and Exchange Commission.

Autodesk will host a conference call at 312-470-0197 (password: Autodesk) today and an audio webcast on the second quarter 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<sup>®</sup> product information is available at 800-869-3504 or via the Web at [www.discreet.com](http://www.discreet.com).

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